

RESOLUTION NO. __

RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA, TO INCUR BONDED INDEBTEDNESS WITHIN EACH OF PROPOSED IMPROVEMENT AREA NOS. 1 AND 2 OF PROPOSED CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2023-1 (FAIRWAY CANYON)

WHEREAS, the City Council of the City of Beaumont (the “City Council”) upon receipt of petitions from Meritage Homes of California, Inc., a California corporation, as provided in Sections 53318 and 53319 of the Government Code of the State of California instituted proceedings to form City of Beaumont Community Facilities District No. 2023-1 (Fairway Canyon) (the “Community Facilities District”) and two improvement areas therein to be designated as “City of Beaumont Improvement Area No. 1 of Community Facilities District No. 2023-1 (Fairway Canyon)” (“Improvement Area No. 1”) and “Improvement Area No. 2 of City of Beaumont Community Facilities District No. 2023-1 (Fairway Canyon)” (“Improvement Area No. 2” and together with Improvement Area No. 1, the “Improvement Areas” and each an “Improvement Area”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”), as amended, pursuant to Resolution No. __ adopted by the City Council on April 4, 2023; and

WHEREAS, the purpose of the proposed Community Facilities District is to finance (1) the purchase, construction, modification, expansion, improvement and/or rehabilitation of public facilities identified in Exhibit “A” hereto and incorporated herein by this reference, including all furnishings, equipment and supplies related thereto (collectively, the “Facilities”) and (2) the incidental expenses to be incurred in financing the Facilities and forming and administering the District (the “Incidental Expenses”); and

WHEREAS, the City Council estimates that the amount required to finance the Facilities and Incidental Expenses is approximately \$14,500,000; and,

WHEREAS, in order to finance the Facilities and Incidental Expenses, the City Council intends to (i) authorize the issuance of bonds in the maximum aggregate principal amount of \$3,500,000, for Improvement Area No. 1, the repayment of which is to be secured by special taxes levied in accordance with Section 53328 of the Act on all property in the proposed Improvement Area No. 1, other than those properties exempted from taxation in the rate and method of apportionment set forth in Exhibit “C” to Resolution No. ____; and (ii) authorize the issuance of bonds in the maximum aggregate principal amount of \$11,000,000, for Improvement Area No. 2, the repayment of which is to be secured by special taxes levied in accordance with Section 53328 of the Act on all property in the proposed Improvement Area No. 2, other than those properties exempted from taxation in the rate and method of apportionment set forth in Exhibit “D” to Resolution No. ____.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY, DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. It is necessary to incur bonded indebtedness within the boundaries of proposed Improvement Area No. 1 in an amount not to exceed \$3,500,000 and within the boundaries of proposed Improvement Area No. 2 in an amount not to exceed \$11,000,000 to finance the costs of the Facilities and Incidental Expenses, as permitted by the Act.

SECTION 3. The indebtedness of each proposed Improvement Area will be incurred for the purpose of financing the costs of the Facilities and the Incidental Expenses, including, but not limited to, the funding of reserve funds for the bonds, the financing of costs associated with the issuance of the bonds and all other costs and expenses necessary to finance the Facilities which are permitted to be financed pursuant to the Act.

SECTION 4. It is the intent of the City Council to authorize the sale of bonds within each proposed Improvement Area in one or more series, in the maximum aggregate principal amount of \$3,500,000 for proposed Improvement Area No. 1 and \$11,000,000 for proposed Improvement Area No. 2 and at a maximum interest rate not in excess of 12 percent per annum, or a higher rate not in excess of the maximum rate permitted by law at the time that the bonds are issued. The term of the bonds of each series shall be determined pursuant to a resolution of this City Council acting in its capacity as the legislative body of the District authorizing the issuance of the bonds of such series, but such term shall in no event exceed 35 years from the date of issuance of the bonds of such series, or such longer term as is then permitted by law.

SECTION 5. A public hearing (the "Hearing") on the proposed issuance of bonded indebtedness shall be held at 6:00 p.m. or as soon thereafter as practicable, on May 16, 2023, at the City Council Chambers, 550 E. 6th Street, Beaumont, California.

SECTION 6. At the time and place set forth in this Resolution for the Hearing, any interested persons, including all persons owning land or registered to vote within the proposed Community Facilities District, may appear and be heard.

SECTION 7. The City Clerk is hereby directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed Community Facilities District No. 2023-1. Such publication shall be completed at least seven days prior to the date of the Hearing. The City Clerk is further directed to mail a copy of the Notice to each of the landowners within the boundaries of proposed Community Facilities District No. 2023-1 at least 15 days prior to the Hearing.

SECTION 8. This Resolution shall be effective upon its adoption.

ADOPTED, SIGNED AND APPROVED this 4th day of April, 2023.

Julio Martinez III, Mayor of the City of Beaumont

(SEAL)

ATTEST:

Elaine Morgan, City Clerk
of the City of Beaumont

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Elaine Morgan, City Clerk of the City of Beaumont, do hereby certify that the foregoing resolution was duly adopted by the City Council of said City, at a regular meeting of said Board held on the 4th day of April, 2023, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

Elaine Morgan, City Clerk
City of Beaumont

EXHIBIT A

DESCRIPTION OF THE FACILITIES AND INCIDENTAL EXPENSES

TYPES OF FACILITIES

The proposed types of public facilities and expenses to be financed by the Community Facilities District include:

The construction, purchase, modification, rehabilitation, expansion and/or improvement of roadway, bridge, sewer, domestic and reclaimed water, dry utilities, storm drain, curb and gutter, medians, traffic signals and any other facilities permitted pursuant to the Act, parks, trails, police facilities, fire facilities, library facilities, public community facilities, and appurtenances and appurtenant work, and development impact fees that are used by the City to construct infrastructure including design, engineering and planning costs associated therewith. The Facilities include, but are not limited to:

PA 21B Park Improvements
Sorenstam Road Improvement
Water Facilities of Beaumont Cherry Valley Water District

TYPES OF INCIDENTAL EXPENSES

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

- a. The cost of engineering, planning and designing the Facilities;
- b. All costs, including costs of the property owner petitioning to form the Community Facilities District, associated with the creation of the Community Facilities District, the issuance of the bonds, the determination of the amount of special taxes to be levied and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- c. Any other expenses incidental to the construction, acquisition, modification, rehabilitation, completion and inspection of the Facilities.