

RESOLUTION NO. 13-188 C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

FORMING CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1 AND PROVIDING FOR THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE SPECIFIED CONSTRUCTION, RECONSTRUCTION, REPLACEMENT, REHABILITATION AND UPGRADES OF THE MONTEREY CONFERENCE CENTER

WHEREAS, the City of Monterey (the "City") is a municipal corporation and charter city duly organized and existing under a charter pursuant to which the City has the right and power to make and to enforce all laws and regulations with respect to municipal affairs and certain other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and the Charter of the City; and

WHEREAS, The City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project.

WHEREAS, Article 7 of Chapter 18 (the "Article") of the Monterey City Code incorporates many provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following of the California Government Code – the "Act") and provides that the City is authorized to form a conference center facilities district to finance the construction, reconstruction, replacement, rehabilitation and upgrade of the Monterey Conference Center, including temporary relocation facilities and improvements during construction (the "Facilities"); and

WHEREAS, the City Council of the City (the "City Council") duly adopted its Resolution No. 13-163 (the "Resolution of Intention") (Exhibit B) on October 15, 2013, wherein the City Council declared its intention to and proposed to establish a conference center facilities district (the "Conference Center Facilities District") within the territory of the City under the authority of the Article to finance the Facilities and related expenditures; and

WHEREAS, the City Council, by its Resolution of Intention approved, among other things, a boundary map for the Conference Center Facilities District (the "Boundary Map"); and

WHEREAS, pursuant to the Resolution of Intention, the Boundary Map was recorded on October 16, 2013, in the Book of Maps of Assessment and Community Facilities Districts maintained by the County Recorder of the County of Monterey in Book 5 at Page 11, as Instrument Number 2013065575; and

WHEREAS, a reduced copy of the Boundary Map was attached to the Resolution of Intention as Exhibit A thereto and is incorporated herein by this reference; and

WHEREAS, the Resolution of Intention fixed a time and place for a public protest hearing (the "Public Hearing") to be held by the City Council to consider the establishment of the Conference Center Facilities District; the authorization of a special tax to be levied and collected within the Conference Center Facilities District (the "Special Tax"); the proposed rate, method of apportionment and manner of collection of the Special Tax; the facilities proposed to be authorized to be paid for with the proceeds of the Special Tax collections and other revenues; the establishment of an appropriations limit for the Conference Center Facilities District; and all other matters set forth in the Resolution of Intention; and

WHEREAS, the City Manager of the City, through the offices of Raftelis Financial Consultants, Inc., special tax consultant to the City, has submitted a report (the "Hearing Report") to the City Council containing a brief description of the facilities by type that in her opinion will be required to adequately meet the needs of the City with respect to the Conference Center, together with estimates of the cost of financing the construction, reconstruction, replacement, rehabilitation and upgrade of the facilities, and an estimate of the incidental expenses related thereto, and certain other matters, in accordance with the Resolution of Intention; and

WHEREAS, the City Council has received the Hearing Report, and it is made a part of the record of the Public Hearing; and

WHEREAS, pursuant to the Resolution of Intention, the Public Hearing was set by the City Council for Tuesday, the 19th day of November, 2013, at the hour of 4:00 P.M., or as soon thereafter as the City Council might reach the matter, at the Few Memorial Hall of Records at Monterey City Hall, 580 Pacific Street, Monterey, California 93940; and

WHEREAS, at the time and place specified, the City Council conducted the Public Hearing, all persons interested, including, but not limited to, all taxpayers, property owners and operators of visitor accommodation facilities within the Conference Center Facilities District, were given an opportunity to appear and to be heard, and the testimony of all such persons for or against the establishment of the Conference Center Facilities District, the levy of the Special Tax, the extent of the Conference Center Facilities District, the financing of any of the proposed facilities, the establishment of the appropriations limit, and any other matters set forth in the Resolution of Intention, was heard and considered; and

WHEREAS, all owners of land within the boundaries of the proposed Conference Center Facilities District (and the operators of visitor accommodation facilities that are located on land leased from governmental entities) that would not be exempt from the proposed levy of Special Tax, were allowed to submit written protests to any aspect of the proposals contained in the Resolution of Intention, and permitted to withdraw their protests prior to the close of the Public Hearing; and

WHEREAS, there are on file with the City Clerk a proof of publication of the Notice of Public Hearing in the *MONTEREY COUNTY HERALD*, and a Certificate of Mailing of Notice of Public Hearing showing mailed notice to each owner of the real property upon which a visitor accommodation facility is located except in cases where the land is owned by a public agency in which case the mailing was to the lessee of the public agency; and

WHEREAS, the City Council is fully advised in this matter;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that:

1. It hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and that the statements, findings and determinations of the City Council set forth above are true and correct.

2. Except to the extent inconsistent with this Resolution, the Resolution of Intention is reaffirmed, and its provisions and findings are, to that same extent, incorporated herein by this reference.

3. It accepts the proof of publication of the Notice of Public Hearing and the Certificate of Mailing the Notice of Public Hearing, and finds, based thereon, that proper notice of the Public Hearing has been given in accordance with the Article, the California Government Code, and the State and Federal Constitutions, and that the Public Hearing was conducted with proper and legal notice in all respects.

4. It finds and determines that at the close of the Public Hearing, the written protests to the establishment of the Conference Center Facilities District, or to the levy of the Special Tax, or to the extent of the Conference Center Facilities District, or to the construction, reconstruction, replacement, rehabilitation and upgrade of any of the Facilities, as described and defined in the Resolution of Intention, or to the establishment of the appropriations limit for the Conference Center Facilities District, or to any other matters contained in the Resolution of Intention, submitted by Landowners (as defined in Section 18-69 of the Article) of property not exempt from the Special Tax and weighted in accordance with Section 18-74 of the Article, did not constitute a majority protest under the Article. Thus, the City Council finds that it is not precluded, by the Article, from proceeding further in this matter. The City Council hereby further orders and determines that all protests to the establishment of the Conference Center Facilities District, or the levy of the Special Tax proposed to be levied therein, or the extent of the Conference Center Facilities District, or the construction, reconstruction, replacement, rehabilitation and upgrade of any of the described facilities, or the establishment of the appropriations limit for the Conference Center Facilities District, have been considered and are hereby overruled.

5. The Facilities to be financed by and through the Conference Center Facilities District are those shown on Exhibit B to the Resolution of Intention, which by this reference is incorporated herein and made a part of this Resolution. The City Council finds that the Facilities do not in any way exceed the description of the authorized facilities proposed in the Resolution of Intention. All of the Facilities have an estimated useful life of five (5) years or longer, and are facilities that the City or other public agencies are authorized by law to construct, own or operate or to which they may contribute revenue. This authorization to finance the construction, reconstruction, replacement, rehabilitation and upgrade of the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Conference Center Facilities District, the issuance of debt (as defined in the Act, "Debt"), the determination of the amount of any Special Taxes or the collection of any Special Taxes and costs otherwise incurred in order to carry out the authorized purposes of the Conference Center Facilities District, together with any other expenses incidental to the construction, reconstruction, replacement, rehabilitation and upgrade of the Facilities. A

representative list of incidental expenses proposed to be incurred is set forth in Exhibit C to the Resolution of Intention, which by this reference is incorporated herein and made a part of this Resolution.

6. The final rate and method of apportionment of the Special Tax (the "RMA"), including the maximum annual Special Tax, for the Conference Center Facilities District is set forth in Exhibit A hereto and by this reference is incorporated herein and made a part of this Resolution. The RMA provides sufficient detail to allow each landowner within the Conference Center Facilities District to estimate the maximum amount that such person will have to pay. The Special Tax obligation may not be prepaid. The City Council hereby determines and orders that the Special Tax will not be apportioned in any tax year on any portion of property in residential use in that tax year, with the understanding that transient occupancy of visitor accommodation facility rooms is not residential use.

7. If the election referred to below results in the approval of the ballot measure described herein, then upon recordation of a Notice of Special Tax Lien pursuant to Section 3114.5 of the Streets and Highways Code of the State of California, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the Conference Center Facilities District. The lien shall continue in force and effect until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code (all as provided under Section 3115.5(c) of the California Streets and Highways Code), or until four years after the due date of the last installment of principal on any Debt (as defined in the Act) secured at least in part by the special tax authorized hereunder, as provided in Section 53356.1(a) of the Act, whichever is later.

8. Except where funds are otherwise available, the Special Tax, subject to the limits described in the RMA, but otherwise in an amount sufficient to pay for the construction, reconstruction, replacement, rehabilitation and upgrade of the Facilities, the making of lease payments for Facilities (whether in conjunction with the issuance of certificates of participation or not), the payment of interest on and principal of debt that is supported by the special taxes combined with other revenues to be issued to finance the construction, reconstruction, replacement, rehabilitation and upgrade of the Facilities, and including the repayment of funds advanced by the City for the Conference Center Facilities District and including the repayment under any agreement (which shall not constitute a debt or liability of the City) for advances of funds or for the reimbursement for the lesser of the value or cost of work in-kind provided by any person or entity for the Conference Center Facilities District, and to pay for the authorized administrative costs of the Conference Center Facilities District, will be levied on a continuing basis within the boundaries of the Conference Center Facilities District.

9. The Special Tax will be collected monthly through the same mechanism by which the City currently collects its Transit Occupancy Tax from visitor accommodation facility properties; however, the City Council reserves the right to utilize any other lawful means of billing, collecting, and enforcing the special tax, including billing on the secured property tax roll, supplemental billing, and, when lawfully available, judicial foreclosure of the special tax lien.

10. Pursuant to Section 53340.1 of the Act, but subject to the limits described in the RMA, the Special Tax shall be levied on privately held leasehold interests in property owned by a public agency (which property is otherwise exempt from the Special Tax), to be payable by the owner of the leasehold or possessory interests in such property.

11. Pursuant to Section 53325.7 of the Act, and subject to the voter approval requirement contained in that Section, the fiscal year 2013-2014 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the Conference Center Facilities District, and subject to adjustment as provided therein, is established as specified in the Resolution of Intention.

12. The City Council will submit the authorizations of this Resolution to the qualified electors of the Conference Center Facilities District in a special mailed-ballot election pursuant to Section 18-74 of the Article.

13. The collection of the Special Tax will be administered by the Finance Director, City of Monterey, 831-646-1557, who will also be responsible for estimating future Special Tax levies pursuant to Section 53340.2 of the Act.

14. The City Council finds and determines that all proceedings conducted and approved by the City Council with respect to the establishment of the Conference Center Facilities District, up to and including the adoption of this Resolution and the other Resolutions adopted this date in connection with the Conference Center Facilities District, are valid and in conformity with the requirements of the Article, and this determination is final and conclusive for all purposes and is binding upon all persons. Accordingly, the City Council finds, determines and orders that the Conference Center Facilities District is hereby established with all of the authorities described and set forth in this Resolution, the exercise of which is subject only to the approval of the qualified electors of the Conference Center Facilities District.

15. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 19th day of November, 2013, by the following vote:

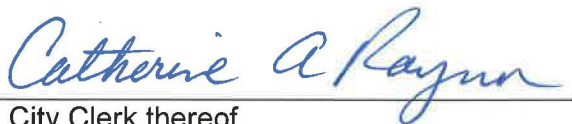
AYES:	4	COUNCILMEMBERS:	Downey, Haffa, Selfridge, Sollecito
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None
RECUSED:	1	COUNCILMEMBERS:	Della Sala

APPROVED:

ATTEST:



Mayor of said City



City Clerk thereof

EXHIBIT A

CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1
CITY OF MONTEREY,
COUNTY OF MONTEREY, STATE OF CALIFORNIA

**FINAL RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX**

[Attach Final Rate and Method of Apportionment]

FINAL RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF MONTEREY CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1

The Special Tax authorized by Conference Center Facilities District No. 2013-1 ("CCFD No. 2013-1") of the City of Monterey (the "City") shall be levied on all Taxable Property within CCFD No. 2013-1 and collected as provided herein commencing in Fiscal Year 2014-2015 in an amount determined by the City Council through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property within CCFD No. 2013-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Adjacent Hotel" means an Assessor Parcel of Hotel Property with any portion of its property line within 100 linear feet of any portion of the City of Monterey Conference Center's property line. At the point of time of the adoption of this Rate and Method of Apportionment, "Adjacent Hotels" included the Portola Hotel & Spa (located at 2 Portola Plaza), the Monterey Marriott (located at 350 Calle Principal), and Hotel Pacific (located at 300 Pacific Street).

"Article" means Article 7 of Chapter 18 of the Monterey City Code, as amended.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Bond Documents" means any bond indenture, trust agreement or similar document setting forth the terms of any Bonds.

"Bonds" means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

"CCFD Administrator" means an official of the City, or designee thereof, responsible for determining and providing for the levy and collection of the Special Taxes for CCFD No. 2013-1.

"City" means the City of Monterey.

"Monterey Conference Center" means the conference center within the City located at One Portola Plaza, Monterey, CA 93940.

"City Council" means the City Council of the City.

"County" means the County of Monterey.

"Exempt Property" means all Assessor's Parcels within CCFD No. 2013-1 which are exempt from the Special Taxes pursuant to Section E herein.

"Facilities" has the meaning given to that term in the resolution of which this Rate and Method of Apportionment of Special Tax is a part:

"Finance Director" means the director of the City's Finance Department.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Full Service Hotel" means an Assessor Parcel of Hotel Property that provides full-service lodging with food & beverage revenues as defined by Smith Travel Research. A Full-Service Hotel is generally a mid-price, upscale or luxury hotel with minimum service levels, such as, bell service and room service and includes lounge facilities, meeting space accommodations, and a restaurant, irrespective to restaurant operator/owner.

"Hotel Property" means an Assessor's Parcel of Taxable Property which consists of Visitor Accommodation Facilities, as defined in **§18-69** of the Article. For purposes of this definition, Hotel Property does not include any hostel or assisted living facility.

"Landowner" means the property owner of Hotel Property as defined in **§18-69** of the Article.

"Limited Service Hotel" means an Assessor Parcel of Hotel Property that is not classified as Adjacent Hotel or Full Service Hotel.

"Occupancy" means the use or possession, or right to the use or possession of any Transient Unit, or portion thereof as defined in **§18-69** of the Article.

"Operator" means the person who is proprietor of the Hotel Property as defined in **§18-69** of the Article.

"Rent" means the total consideration charged to a Transient for the Occupancy of any Transient Unit(s) as defined in **§18-69** of the Article.

"Special Tax" means the special tax determined in accordance with Section C herein which is authorized by CCFD No. 2013-1 to be levied by the City Council on Taxable Property pursuant to the Article to fund the Facilities.

"Taxable Property" means all Assessor's Parcels that are not exempt from the Special Tax pursuant to law or this Rate and Method of Apportionment of Special Tax.

"Transient" means a person who exercises Occupancy as defined in **§18-69** of the Article.

"Transient Unit" means a room or suite within Hotel Property available for Occupancy by a Transient through the payment of Rent.

B. CLASSIFICATIONS OF ASSESSOR'S PARCELS

Each Fiscal Year using the definitions above, all Taxable Property within CCFD No. 2013-1 shall be classified as either Hotel Property or Exempt Property and all Hotel Property shall be further classified as one of the following: Adjacent Hotel, Full Service Hotel, or Limited Service Hotel. Commencing with Fiscal Year 2014-2015 and for each subsequent Fiscal Year, all Hotel Property shall be subject to Special Taxes pursuant to Sections C and D below.

C. SPECIAL TAX

Commencing in Fiscal Year 2014-2015, each Assessor's Parcel classified as Hotel Property within CCFD No. 2013-1 shall be subject to a Special Tax. The Special Tax for each Assessor's Parcel classified as Hotel Property shall equal a percentage of all Rent charged. The Special Tax Rates are listed in Table 1 below.

Hotel Property	Special Tax Rate
Adjacent Hotel	4.15% of all Rent
Full Service Hotel	1.6% of all Rent
Limited Service Hotel	0.8% of all Rent

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2014-2015, the City Council shall levy Special Taxes on each Assessor's Parcel classified as Hotel Property at the rates specified in Section C. Special Taxes associated with Rent that is charged for Occupancy by Transients shall be considered levied at the same time the Transient ceases Occupancy of the Transient Unit(s). The Special Taxes are payable as described in Section F below.

E. EXEMPTIONS

No Special Tax shall be levied on any Assessor's Parcel not classified as Hotel Property or that is used exclusively as a residential unit for such Fiscal Year.

F. MANNER OF COLLECTION

The Special Tax shall be collected on or before the last day of each odd numbered calendar month for the previous two months of taxes levied in accordance with **§18-77** of the Article.

G. FAILURE TO SUBMIT SPECIAL TAX

If any Landowner, or Operator on behalf of Landowner, fails or refuses to pay the Special Tax levied, the Finance Director shall proceed in such manner as deemed best to obtain facts and information on which to base his/her estimate of the Special Tax. As soon as the Finance Director shall acquire such facts and information upon which to base the Special Tax for such Hotel Property, the Finance Director shall proceed to determine the amount of such Special Tax due plus any penalties and interest, as described below ("Determination of Special Tax Due"). In the case that such determination is made, the Finance Director shall give a Determination of Special Tax Due by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the Landowner or Operator on behalf of the Landowner at its last known address. Such Landowner, or Operator on behalf of the Landowner, may file an appeal as provided in Section I herein.

Any portion of Special Tax levied against any Hotel Property which is not paid within the time required shall be considered delinquent and shall be subject to the following penalties and interest:.

- a. A 10% penalty of the delinquent amount of Special Tax levied or estimated Special Tax as described in this Section.
- b. If the Special Tax is delinquent for more than 30 days, an additional 10% penalty of the delinquent amount of Special Tax levied or estimated Special Tax as described in this Section.
- c. If the nonpayment of any portion of the Special Tax levied is due to fraud, a penalty of 25% of the amount of such portion shall be added thereto, in addition to the penalties stated in subsections (a) and (b) of this Section

For any Special Taxes and penalties that remain outstanding as of July 1 of each Fiscal Year, the Finance Director may direct the CCFD Administrator to submit any of the delinquent Special Taxes, penalties and interest to the County for inclusion on the property tax bill for such Assessor's Parcel(s) in accordance with **§18-78** of the Article, including estimated penalties and interest that would be accrued from July 1 through the time in which the City would receive property tax installments from the County.

H. SPECIAL TAX AUDIT

It shall be the duty of the Landowner, or Operator on behalf of the Landowner, for each Assessor's Parcel classified as Hotel Property that is subject to the Special Tax to keep and preserve, for a period of three years, all records as may be deemed necessary by the Finance Director (and that will, at a minimum, include a record of all Rents collected) to determine the Special Taxes levied upon such Hotel Property by the City Council. The Finance Director shall have the right to inspect such records at all reasonable times.

I. APPEALS

A Landowner may, within ten (10) calendar days after the serving or mailing of a Determination of Special Tax Due as described herein, make a written request to the Finance Director for a hearing on the amount levied. The administrative hearing shall follow the same procedures as described in Monterey City Code Section **§35-17**. The Landowner may formally appeal the amount of the Special Tax or penalties by filing a notice of appeal with the City Clerk within fifteen (15) calendar days after the serving or mailing of a Determination of Special Tax Due as described herein. The administrative hearing for a formal appeal shall follow the same procedures as described in Monterey City Code Section **§35-18**. If timely request for a hearing is not made, the Special Tax and any penalties and interest levied thereon shall become final and conclusive. Payment to the City shall be made within fifteen (15) calendar days from the date the Special Tax is determined to be final and conclusive.

J. TERMS OF SPECIAL TAX

The authority of the City Council to levy the Special Tax on all Assessor's Parcels classified as Hotel Property within CCFD No. 2013-1 in accordance with Section D shall extend only through the final maturity date of the Bonds. However, any delinquent Special Taxes that remain after the final maturity date of the Bonds may continue to be collected in accordance with Sections F and G.

EXHIBIT B

CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1
CITY OF MONTEREY,
COUNTY OF MONTEREY, STATE OF CALIFORNIA

RESOLUTION NO. 13 - 163 C.S.

[Attach Resolution 13-163 C.S.]

RESOLUTION NO. 13 - 163 C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

DECLARING INTENTION TO ESTABLISH CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1 AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE SPECIFIED CONSTRUCTION, RECONSTRUCTION, REPLACEMENT, REHABILITATION AND UPGRADE OF THE MONTEREY CONFERENCE CENTER

WHEREAS, the City of Monterey (the "City") is a municipal corporation and charter city duly organized and existing under a charter pursuant to which the City has the right and power to make and enforce all laws and regulations in respect to municipal affairs and certain other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and the Charter of the City; and

WHEREAS, Chapter 18 (the "Chapter") of the Monterey City Code incorporates many provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following of the California Government Code) (the "Act") and provides that the City is authorized to form a conference center facilities district to finance the construction, reconstruction, replacement, rehabilitation and upgrade of the Monterey Conference Center, including temporary relocation facilities and improvements during construction; and

WHEREAS, the City Council of the City (the "City Council") has therefore duly considered the advisability and necessity of establishing a conference center facilities district within its jurisdictional boundaries and levying a special tax therein, to finance the construction, reconstruction, replacement, rehabilitation and upgrade of the Monterey Conference Center, including temporary relocation facilities and improvements during construction under and pursuant to the Chapter; and

WHEREAS, the City Council is fully advised in this matter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEREY THAT:

1. The City Council hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and that the statements, findings and determinations of the City Council set forth above are true and correct and that the consideration of the formation of the conference center facilities district could provide significant economic benefits to the City and to the residents of the City, and may result in significant public benefits.
2. It is the intention of the City Council, and the City Council hereby proposes, to establish a conference center facilities district under and pursuant to the Chapter, to be known and designated as "Conference Center Facilities District No. 2013-1, City of Monterey, County of Monterey, State of California" (the "Conference Center Facilities District").

3. The boundaries of the territory proposed for inclusion in the Conference Center Facilities District are more particularly described and shown on a map entitled "Proposed Boundaries of Conference Center Facilities District No. 2013-1, City of Monterey, County of Monterey, State of California" now on file in the office of the City Clerk, which map the City Council hereby approves. A reduced copy of the map is marked Exhibit A and is attached hereto and, by this reference, is incorporated herein and made a part of this resolution. The City Council finds that the map is in the form and contains the matters prescribed by section 3110 of the California Streets and Highways Code and directs the City Clerk to certify the adoption of this resolution on the face of the map. The City Council hereby authorizes and directs the City Clerk to record a copy of the map with the Monterey County Recorder in accordance with section 3111 of the California Streets and Highways Code.

4. The City Council hereby identifies all property that may be developed for visitor accommodation facility purposes (as defined in the Chapter) anywhere within the City or within the City's sphere of influence, as determined by the Local Agency Formation Commission (LAFCO) of the County of Monterey, and which becomes annexed to the City, as "territory proposed for annexation in the future" as that phrase is used in Section 53339.3(b) of the Act.

5. It is the intention of the City Council to finance the construction, pursuant to the Chapter, of the public facilities shown on Exhibit B attached hereto (the "Facilities"), which by this reference is incorporated herein and made a part of this resolution. All of the Facilities have an estimated useful life of five years or longer. They are public facilities that the City is authorized by law to construct, own, or operate, or to which it may contribute revenue.

6. The cost of financing the Facilities includes incidental expenses for the Facilities comprising the costs of planning and designing the Facilities, including temporary relocation facilities and improvements during construction, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Conference Center Facilities District, the issuance of bonds including bond and other reserve funds related thereto, the determination of the amount of any special taxes, or the collection or enforcement of any special taxes and costs otherwise incurred to carry out the authorized purposes of the Conference Center Facilities District, together with any other expenses incidental to the construction of the Facilities. A representative list of incidental expenses proposed to be incurred is set forth on Exhibit C attached hereto, which by this reference is incorporated herein and made a part of this resolution.

7. It is the intention of the City Council that, except where funds are otherwise available, a special tax be levied on the visitor accommodation facilities within the Conference Center Facilities District sufficient to finance the following: the construction of the Facilities, including but not limited to the payment of interest on and principal of bonds to be issued to finance the construction of the Facilities; the repayment of funds advanced by the City for the Conference Center Facilities District or for the Facilities; the repayment under any agreement (which will not constitute a debt or liability of the City) of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Conference Center Facilities

District; all so far as permitted by the rate and method of apportionment of the special tax as described below.

8. Upon recordation of a Notice of Special Tax Lien pursuant to section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Conference Center Facilities District subject to the special tax.

9. It is the intention of the City Council that the proposed special tax will be collected monthly through the same mechanism by which the City currently collects its Transient Occupancy Tax from visitor accommodation facility properties; however, the City Council reserves the right to utilize any other lawful means of billing, collecting, and enforcing the special tax, including billing on the secured property tax roll, direct and supplemental billing, and, when lawfully available, judicial foreclosure of the special tax lien.

10. The rate and method of apportionment of the special tax, including the maximum special tax, is set forth on Exhibit D attached hereto, which by this reference is incorporated herein and made a part of this resolution. Exhibit D provides sufficient detail to allow each landowner and each operator of a visitor accommodation facility on property within the Conference Center Facilities District to estimate the maximum amount of special tax for which such property will be obligated.

11. Except where otherwise specified, it is the intention of the City Council, pursuant to section 53340.1 of the Act, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interest in such property.

12. It is the intention of the City Council, pursuant to section 53325.7 of the Act, to establish the appropriations limit, as defined by subdivision (h) of section 8 of article XIII B of the California Constitution, for the 2013-2014 fiscal year, for the Conference Center Facilities District in the amount of \$10,000,000.

13. Notice is hereby given that Tuesday, November 19, 2013, at 4:00 p.m., or as soon thereafter as the Council may reach the matter, in the Council Chamber, Few Memorial Hall of Records at Monterey City Hall, 580 Pacific Street, Monterey, California 93940, has been fixed by the City Council as the time and place for a public hearing to be held by the City Council to consider the establishment of the Conference Center Facilities District, the proposed rate, method of apportionment, and manner of collection of the special tax, and all other matters as set forth in this resolution. At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters within the Conference Center Facilities District, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Conference Center Facilities District and the levy of the special tax, the extent of the Conference Center Facilities District, the construction of any of the Facilities, the

establishment of the appropriations limit, or on any other matters set forth herein, will be heard and considered.

14. Any protests to the proposals in this resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings must be in writing and must clearly set forth the irregularities and defects to which objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the City Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

15. Written protests by a majority of the owners of land within the Conference Center Facilities District not exempt from the proposed special tax will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposed Facilities or the special tax of the Conference Center Facilities District or the other proposals contained in this resolution, only those elements need be excluded from the proceedings.

16. The public hearing may be continued from time to time, but shall be completed within two years from the original hearing date.

17. At the public hearing, the City Council may modify the proposal contained in this resolution by eliminating any of the Facilities, or by changing the method of apportionment of the special tax so as to reduce the maximum special tax for all or a portion of the Landowners (as defined in Section 18-69 of the Monterey City Code) within the Conference Center Facilities District, or by removing any territory from the Conference Center Facilities District, except that if the City Council proposes to modify the proposal contained in this resolution in a way that will increase the probable (as distinct from the maximum, which may not be increased) special tax to be paid by the owner of any lot or parcel of land in the Conference Center Facilities District, the City Council shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the Landowners of such lots or parcels of land in the Conference Center Facilities District, and the City Council shall receive and consider the report before approving any such modifications or any resolution forming the Conference Center Facilities District that includes such modifications.

18. At the conclusion of the public hearing, the City Council may abandon these proceedings or may, after passing upon all protests, determine to proceed with establishing the Conference Center Facilities District. If, at the conclusion of the public hearing, the City Council determines to proceed with the establishment of the Conference Center Facilities District, the proposed voting procedure will be by the Landowners voting in accordance with Section 18-74 of the Chapter.

19. The City Manager is hereby directed to study the Conference Center Facilities District and, at or before the time of the public hearing, to cause to be prepared and filed with the City Council a report containing a brief description of the Facilities by type that in his opinion will be required to adequately meet the needs of the Conference Center Facilities District together with estimates of the cost of financing the construction of the Facilities, and an estimate of the incidental expenses related thereto. Upon its presentation, the report will be submitted to the City Council for review, will be available for inspection by the public, and will be made a part of the record of the public hearing. The City Manager may retain consultants to prepare the report.

20. The City Clerk shall give notice of the time and place of the public hearing in the following manner:

(a) A Notice of Public Hearing in the form attached hereto as Exhibit E is to be published once in the *Monterey County Herald*, a newspaper of general circulation published in the area of the Conference Center Facilities District, pursuant to section 6061 of the California Government Code, and publication must be completed at least seven days prior to the date set for such public hearing.

(b) A Notice of Public Hearing in the same form is to be mailed, first-class postage prepaid, to each Landowner and Operator (as those terms are defined in Section 18-69 of the Monterey City Code) within the Conference Center Facilities District at their addresses as shown on the last equalized assessment roll or as otherwise known to the City Clerk.

21. In the opinion of the City Council, the public interest will not be served by allowing the property owners in the Conference Center Facilities District to intervene in the public bidding process pursuant to Section 53329.5(a) of the Act.

22. This Resolution shall take effect upon its adoption.


PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 15th day of October, 2013, by the following vote:

AYES:	4	COUNCILMEMBERS:	Downey, Haffa, Selfridge, Sollecito
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None
RECUSED:	1	COUNCILMEMBERS:	Della Sala

APPROVED:

ATTEST:

City Clerk thereof


Mayor of said City

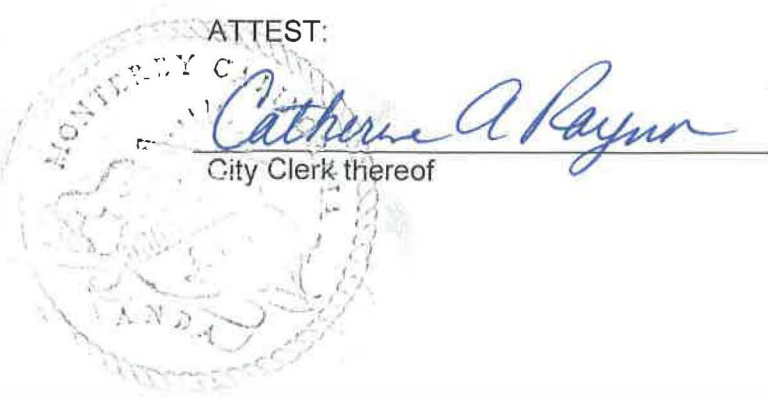


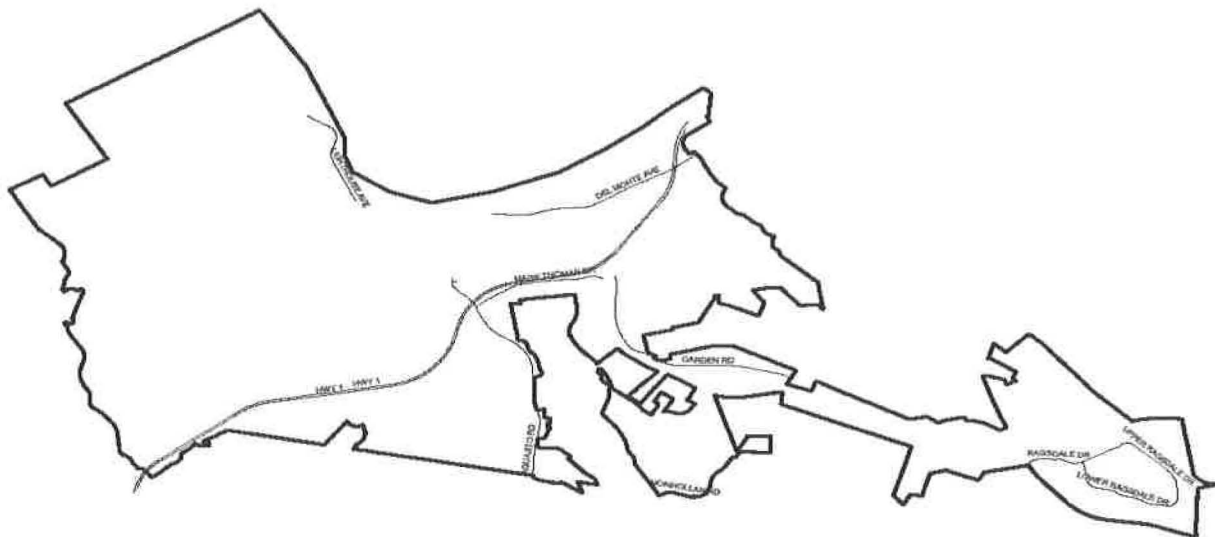
EXHIBIT A

PROPOSED BOUNDARIES OF
CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1
CITY OF MONTEREY
COUNTY OF MONTEREY, STATE OF CALIFORNIA

[Attach Boundary Map]

Map of Proposed Boundaries of City of Monterey Conference Center Facilities District No. 2013-1

CITY OF MONTEREY
COUNTY OF MONTEREY
STATE OF CALIFORNIA





FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MONTEREY, THIS _____ DAY OF _____, 2013. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE CITY OF MONTEREY CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1, CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF MONTEREY AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2013, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MONTEREY

FILED THIS _____ DAY OF _____, 2013, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____, PAGE _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AND AS INSTRUMENT NO. _____ AT THE REQUEST OF THE CITY OF MONTEREY IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA.

BY DEPUTY
COUNTY RECORDER/CLERK
COUNTY OF MONTEREY

Legend

 CCFD BOUNDARY
 HIGHWAYS



0 0.5 1 2 Miles

THE BOUNDARIES OF CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1 ARE EQUIVALENT TO THE CITY LIMITS AT THE TIME OF RECORDATION OF THIS MAP. THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL ENCOMPASSED BY THIS MAP SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE MONTEREY COUNTY ASSESSOR'S MAPS.

THE MONTEREY COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

EXHIBIT B

CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1,
CITY OF MONTEREY
COUNTY OF MONTEREY, STATE OF CALIFORNIA

AUTHORIZED CONFERENCE CENTER FACILITIES

Any building, improvement to real property, equipment or personal property (in each case having an expected useful life of five years or longer) that is publicly-owned and comprises any portion of the existing Monterey Conference Center and any construction, reconstruction, replacement, rehabilitation, or upgrade thereto, together with any temporary relocation facilities and improvements during construction.

EXHIBIT C

CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1 CITY OF MONTEREY COUNTY OF MONTEREY, STATE OF CALIFORNIA

REPRESENTATIVE LISTING OF INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS

It is anticipated that the following incidental expenses may be incurred in the proposed legal proceedings for formation of the Conference Center Facilities District, and related bond financing for the construction reconstruction, rehabilitation, replacement, and upgrade of the Monterey Conference Center will be payable or reimbursable from proceeds of the Bonds or directly from the proceeds of the Special Tax:

- Special tax consultant services
- City, staff review, oversight and administrative services
- Bond Counsel and Disclosure Counsel services
- Financial advisor services
- Special tax administrator services
- Feasibility study consultant services
- Trustee, bond transfer agent, fiscal agent, registrar and paying agent services, and rebate calculation services
- Bond and other reserve funds
- Bond printing and Preliminary Official Statement and Official Statement printing and mailing
- Publishing, mailing and posting of notices
- Recording fees
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Governmental notification and filing fees
- Credit enhancement costs
- Rating agency fees
- Continuing disclosure services

The expenses of certain recurring services pertaining to the Conference Center Facilities District may be included in the special tax levy. The foregoing enumeration shall not be regarded as exclusive and shall be deemed to include any other incidental expenses of a like nature which may be incurred from time to time with respect to the Conference Center Facilities District.

EXHIBIT D

CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1
CITY OF MONTEREY,
COUNTY OF MONTEREY, STATE OF CALIFORNIA

**RATE AND METHOD OF APPORTIONMENT
AND MANNER OF COLLECTION OF THE SPECIAL TAX**

[Attach Rate and Method of Apportionment]

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF MONTEREY CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1

The Special Tax authorized by Conference Center Facilities District No. 2013-1 ("CCFD No. 2013-1") of the City of Monterey (the "City") shall be levied on all Taxable Property within CCFD No. 2013-1 and collected as provided herein commencing in Fiscal Year 2014-2015 in an amount determined by the City Council through the application of the rate and method of apportionment of the Special Tax set forth below. All of the real property within CCFD No. 2013-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Adjacent Hotel" means an Assessor Parcel of Hotel Property with any portion of its property line within 100 linear feet of any portion of the City of Monterey Conference Center's property line. At the point of time of the adoption of this Rate and Method of Apportionment, "Adjacent Hotels" included the Portola Hotel & Spa (located at 2 Portola Plaza), the Monterey Marriott (located at 350 Calle Principal), and Hotel Pacific (located at 300 Pacific Street).

"Article" means Article 7 of Chapter 18 of the Monterey City Code, as amended.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Bond Documents" means any bond indenture, trust agreement or similar document setting forth the terms of any Bonds.

"Bonds" means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

"CCFD Administrator" means an official of the City, or designee thereof, responsible for determining and providing for the levy and collection of the Special Taxes for CCFD No. 2013-1.

"City" means the City of Monterey.

"Monterey Conference Center" means the conference center within the City located at One Portola Plaza, Monterey, CA 93940.

"City Council" means the City Council of the City.

"County" means the County of Monterey.

"Exempt Property" means all Assessor's Parcels within CCFD No. 2013-1 which are exempt from the Special Taxes pursuant to Section E herein.

"Facilities" has the meaning given to that term in the resolution of which this Rate and Method of Apportionment of Special Tax is a part.

"Finance Director" means the director of the City's Finance Department.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Full Service Hotel" means an Assessor Parcel of Hotel Property that provides full-service lodging with food & beverage revenues as defined by Smith Travel Research. A Full-Service Hotel is generally a mid-price, upscale or luxury hotel with minimum service levels, such as, bell service and room service and includes lounge facilities, meeting space accommodations, and a restaurant, irrespective to restaurant operator/owner.

"Hotel Property" means an Assessor's Parcel of Taxable Property which consists of Visitor Accommodation Facilities, as defined in **§18-704** of the Article. For purposes of this definition, Hotel Property does not include any hostel or assisted living facility.

"Landowner" means the property owner of Hotel Property as defined in **§18-704** of the Article.

"Limited Service Hotel" means an Assessor Parcel of Hotel Property that is not classified as Adjacent Hotel or Full Service Hotel.

"Occupancy" means the use or possession, or right to the use or possession of any Transient Unit, or portion thereof as defined in **§18-704** of the Article.

"Operator" means the person who is proprietor of the Hotel Property as defined in **§18-704** of the Article.

"Rent" means the total consideration charged to a Transient for the Occupancy of any Transient Unit(s) as defined in **§18-704** of the Article.

"Special Tax" means the special tax determined in accordance with Section C herein which is authorized by CCFD No. 2013-1 to be levied by the City Council on Taxable Property pursuant to the Article to fund the Facilities.

"Taxable Property" means all Assessor's Parcels that are not exempt from the Special Tax pursuant to law or this Rate and Method of Apportionment of Special Tax.

"Transient" means a person who exercises Occupancy as defined in **§18-704** of the Article.

"Transient Unit" means a room or suite within Hotel Property available for Occupancy by a Transient through the payment of Rent.

B. CLASSIFICATIONS OF ASSESSOR'S PARCELS

Each Fiscal Year using the definitions above, all Taxable Property within CCFD No. 2013-1 shall be classified as either Hotel Property or Exempt Property and all Hotel Property shall be further classified as one of the following: Adjacent Hotel, Full Service Hotel, or Limited Service Hotel. Commencing with Fiscal Year 2014-2015 and for each subsequent Fiscal Year, all Hotel Property shall be subject to Special Taxes pursuant to Sections C and D below.

C. SPECIAL TAX

Commencing in Fiscal Year 2014-2015, each Assessor's Parcel classified as Hotel Property within CCFD No. 2013-1 shall be subject to a Special Tax. The Special Tax for each Assessor's Parcel classified as Hotel Property shall equal a percentage of all Rent charged. The Special Tax Rates are listed in Table 1 below.

Hotel Property	Special Tax Rate
Adjacent Hotel	4.15% of all Rent
Full Service Hotel	1.6% of all Rent
Limited Service Hotel	0.8% of all Rent

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2014-2015, the City Council shall levy Special Taxes on each Assessor's Parcel classified as Hotel Property at the rates specified in Section C. Special Taxes associated with Rent that is charged for Occupancy by Transients shall be considered levied at the same time the Transient ceases Occupancy of the Transient Unit(s). The Special Taxes are payable as described in Section F below.

E. EXEMPTIONS

No Special Tax shall be levied on any Assessor's Parcel not classified as Hotel Property or that is used exclusively as a residential unit for such Fiscal Year.

F. MANNER OF COLLECTION

The Special Tax shall be collected on or before the last day of each odd numbered calendar month for the previous two months of taxes levied in accordance with §18-712 of the Article.

G. FAILURE TO SUBMIT SPECIAL TAX

If any Landowner, or Operator on behalf of Landowner, fails or refuses to pay the Special Tax levied, the Finance Director shall proceed in such manner as deemed best to obtain facts and information on which to base his/her estimate of the Special Tax. As soon as the Finance Director shall acquire such facts and information upon which to base the Special Tax for such Hotel Property, the Finance Director shall proceed to determine the amount of such Special Tax due plus any penalties and interest, as described below ("Determination of Special Tax Due"). In the case that such determination is made, the Finance Director shall give a Determination of Special Tax Due by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the Landowner or Operator on behalf of the Landowner at its last known address. Such Landowner, or Operator on behalf of the Landowner, may file an appeal as provided in Section I herein.

Any portion of Special Tax levied against any Hotel Property which is not paid within the time required shall be considered delinquent and shall be subject to the following penalties and interest:

- a. A 10% penalty of the delinquent amount of Special Tax levied or estimated Special Tax as described in this Section.
- b. If the Special Tax is delinquent for more than 30 days, an additional 10% penalty of the delinquent amount of Special Tax levied or estimated Special Tax as described in this Section.
- c. If the nonpayment of any portion of the Special Tax levied is due to fraud, a penalty of 25% of the amount of such portion shall be added thereto, in addition to the penalties stated in subsections (a) and (b) of this Section

For any Special Taxes and penalties that remain outstanding as of July 1 of each Fiscal Year, the Finance Director may direct the CCFD Administrator to submit any of the delinquent Special Taxes, penalties and interest to the County for inclusion on the property tax bill for such Assessor's Parcel(s) in accordance with §18-713 of the Article, including estimated penalties and interest that would be accrued from July 1 through the time in which the City would receive property tax installments from the County.

H. SPECIAL TAX AUDIT

It shall be the duty of the Landowner, or Operator on behalf of the Landowner, for each Assessor's Parcel classified as Hotel Property that is subject to the Special Tax to keep and preserve, for a period of three years, all records as may be deemed necessary by the Finance Director (and that will, at a minimum, include a record of all Rents collected) to determine the Special Taxes levied upon such Hotel Property by the City Council. The Finance Director shall have the right to inspect such records at all reasonable times.

I. APPEALS

A Landowner may, within ten (10) calendar days after the serving or mailing of a Determination of Special Tax Due as described herein, make a written request to the Finance Director for a hearing on the amount levied. The administrative hearing shall follow the same procedures as described in Monterey City Code Section §35-17. The Landowner may formally appeal the amount of the Special Tax or penalties by filing a notice of appeal with the City Clerk within fifteen (15) calendar days after the serving or mailing of a Determination of Special Tax Due as described herein. The administrative hearing for a formal appeal shall follow the same procedures as described in Monterey City Code Section §35-18. If timely request for a hearing is not made, the Special Tax and any penalties and interest levied thereon shall become final and conclusive. Payment to the City shall be made within fifteen (15) calendar days from the date the Special Tax is determined to be final and conclusive.

J. TERMS OF SPECIAL TAX

The authority of the City Council to levy the Special Tax on all Assessor's Parcels classified as Hotel Property within CCFD No. 2013-1 in accordance with Section D shall extend only through the final maturity date of the Bonds. However, any delinquent Special Taxes that remain after the final maturity date of the Bonds may continue to be collected in accordance with Sections F and G.

EXHIBIT E

**NOTICE OF PUBLIC HEARING
REGARDING THE FORMATION OF
CONFERENCE CENTER FACILITIES DISTRICT NO. 2013-1
CITY OF MONTEREY, COUNTY OF MONTEREY, STATE OF CALIFORNIA
THE LEVY OF A SPECIAL TAX THEREIN AND
THE PROPOSED ISSUANCE OF SPECIAL TAX BONDS**

TUESDAY, NOVEMBER 19, 2013

4:00 P.M.

IN THE COUNCIL CHAMBERS, FEW MEMORIAL HALL OF RECORDS

AT MONTEREY CITY HALL

580 PACIFIC STREET

MONTEREY, CALIFORNIA 93940

* * *

On Tuesday, October 15, 2013, the City Council of the City of Monterey (the "City") duly adopted its Resolution No. [] (the "Resolution of Intention") wherein it declared its intention to form a conference center facilities district to be known as "Conference Center Facilities District No. 2013-1, City of Monterey, County of Monterey, State of California" (the "Conference Center Facilities District"), to levy a special tax within the Conference Center Facilities District, and to pay a portion of the costs of the construction, reconstruction, rehabilitation, replacement (at the same location) or upgrade of the existing Monterey Conference Center (the "Facilities"); and also adopted its Resolution No. [] (the "Resolution to Incur Bonded Indebtedness") wherein it proposed to authorize, over the life of the Conference Center Facilities District, a principal amount of debt not to exceed \$50,000,000 to finance a portion of the Facilities, all under and pursuant to Chapter 18 of the Monterey City Code (the "Chapter"), incorporating by reference the "Mello Roos Community Facilities Act of 1982" (California Government Code section 53311 and following - the "Act"), as modified by the Chapter.

All of the specific provisions that are contained in the City's Resolution of Intention and its Resolution to Incur Bonded Indebtedness on file with the City Clerk will be collectively referred to in this Notice as the "Proposal;" and the two resolutions will be referred to collectively as the "Resolutions." This Notice contains a brief summary of the Proposal, but you may obtain copies of the Resolutions and other documentation at the City Clerk's Office.

The Proposal consists of (1) authorization of a special tax within the Conference Center Facilities District to finance any portion of the Facilities, (2) authorization of the issuance of debt for the same purpose, to be repaid from collections of the special tax and other revenues, and (3) the establishment of the initial annual appropriations limit for the Conference Center Facilities District.

In order to confer the authority upon the City Council to levy the special tax and to issue the bonds, a public hearing must be held on the Proposal, after which the City Council must determine to form the Conference Center Facilities District, and the qualified electors within the Conference Center Facilities District must then approve the Proposal, as it may be modified following the public hearing, by a two-thirds vote. As the Conference Center Facilities District may not authorize the City Council, at any time, to levy the special tax on any property that is not in use as a visitor accommodation facility (as that term is defined in the Monterey City Code), and in particular may not authorize the City Council, at any time, to levy the special tax on property in use for residential purposes, the qualified electors are, pursuant to the Chapter, the owners of those properties within the Conference Center Facilities District that are not exempt from the special tax - namely, visitor accommodation facility properties. Where the property on which a visitor accommodation facility is located is owned by a public agency, the qualified elector is the entity leasing the property from the public agency. Further, as provided in the Chapter, votes are assigned to each visitor accommodation facility property in an amount proportional to the proposed special tax burden.

THIS IS THE NOTICE OF THE PUBLIC HEARING.

The public hearing will be held during the City Council meeting on Tuesday, November 19, 2013, at 4:00 p.m., or as soon thereafter as the City Council may reach the matter, in the City Council Chambers, Few Memorial Hall of Records at Monterey City Hall, 580 Pacific Street, Monterey, California 93940.

At the public hearing, any persons interested may appear and be heard, and the oral or written testimony of all interested persons for or against any of the elements of the Proposal, will be heard and considered.

Any protests to the Proposal may be made orally or in writing by any interested persons except that any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and shall clearly set forth the irregularities and defects to which objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the City Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Written protests by a majority of the owners of land within the Conference Center Facilities District not exempt from the proposed special tax, together with those leasing property from public agencies on which visitor accommodation facilities are located, with all protests weighted as specified in the Chapter (in proportion to proposed special tax burden), will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the Proposal, only those elements need be excluded from the proceedings.

The City Manager of the City has studied the Conference Center Facilities District and will provide, at or before the time of the public hearing, a report which will contain a brief description of the Facilities that in his opinion will be required to adequately meet the needs of the Conference Center Facilities District, together with estimates of the cost of financing the construction and equipping of the Facilities and an estimate of the incidental expenses related thereto. The report will be available for inspection by the public at or shortly before the public hearing and will become a part of the record of the public hearing. Questions should be directed to Margaret Lefebvre, Interim Finance Director, City of Monterey, Finance Department, 735 Pacific Street, Suite A, Monterey, California 93940, email lefebvre@monterey.org.

Bonnie Gawf
City Clerk of the
City of Monterey