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APPROVED
MAY 7 2002
CITY OF SACRAMENTO
OFFICE OF THE
CALIFORNIA CITY CLERK

OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

CITY OF SACRAMENTO
OFFICE OF THE
CALIFORNIA CITY CLERK

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SUITE 300
SACRAMENTO, CA
95814-2709

April 23, 2001
F044LGA.DOC

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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: SACRAMENTO CITY FINANCING AUTHORITY 2002 REVENUE BONDS,
SERIES A (CIVIC CENTER AND REDEVELOPMENT PROJECTS)**

APPROVED
MAY 7 2002
SACRAMENTO FINANCING AUTHORITY
CITY OF SACRAMENTO

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the Sacramento City Financing Authority and the Sacramento City Council adopt the attached resolution authorizing:

- The issuance, sale and delivery of the 2002 Revenue Bonds, for the Civic Center, Redevelopment Agency projects, and certain Capital Improvements, and
- The execution and delivery of amendments to leases with the City, an Indenture, an Official Statement, a Bond Purchase Contract, and certain other actions in connection therewith (all documents are on file in the City Clerk's office).
- The execution and delivery of amendments to leases with the Sacramento City Financing Authority relating to the Civic Center and Redevelopment projects,
- The execution and delivery of a Continuing Disclosure Certificate for the Sacramento City Financing Authority 2002 Revenue Bonds and
- The execution and delivery of Repayment and Loan Agreements with the Redevelopment Agency of the City of Sacramento and the Sacramento City Financing Authority and certain other actions in connection therewith
- The approval of the estimated budget for the Sacramento City Financing Authority 2002 Revenue Bonds, and authorizing the City Treasurer to make necessary augmentations after bonds are sold.

CONTACT PERSON:

**Thomas P. Friery, City Treasurer, 264-5168
Lydia Lara, Deputy City Treasurer, 264-5168**

FOR COUNCIL MEETING: May 7, 2002

SUMMARY:

The Office of the City Treasurer recommends that City Council adopt the attached resolutions related to the City of Sacramento Revenue Bonds, Series A (Civic Center and Redevelopment projects). This action will officially authorize the issuance of a not to exceed amount of \$225 million in bonds to finance the refurbishing of the historic City Hall, construction of the new Civic Center and other city related Capital Improvements. These proceeds will also be used to advance funds to the Redevelopment Agency of the City of Sacramento (SHRA) to finance redevelopment activities within the SHRA Merged Downtown and Stockton Boulevard Project areas (See Attachment 2). With the exception of the Redevelopment Agency projects, most of the City projects were approved in conjunction with the annual budget review process.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The City of Sacramento has embarked on a project to consolidate City functions into a new City Hall immediately north of the existing City Hall. Consolidating City functions will eliminate the need for leased office space and reduce costs to the City and its taxpayers.

In the 1999 – 2004 CIP Program, the City Council provided seed funds for a Civic Center Administration facility that would consolidate office space and quantify the costs of building ownership. From April 2000 through the current date, staff has updated the City Council on the City Hall project, the many related actions, and the directions for the preferred project design. The City Hall project includes the construction of a 200,000 square foot office building behind the existing City Hall and seismic retrofitting. The project consists of two main components (See Attachment 1 for CIP Project numbers): (1) construction of a multi-level office building on the half-block behind City Hall, and (2) the seismic retrofit, refurbishment and exterior repair of City Hall. The combined financing cost for the Refurbished City Hall and New City Hall is \$71.96 million.

The I-5 Arena Interchange Project will also be financed with the 2002 Revenue Bonds. The project will construct a new Interchange on existing Interstate 5 approximately midway between the Interstate 80/Interstate 5 and Del Paso Road. The new interchange is needed to accommodate projected increases in traffic volumes caused by population growth and special events at the Arco Arena Sports Complex and to provide direct freeway access to office developments adjacent to Interstate 5. This interchange is included as a freeway improvement in the North Natomas Financing Plan with a proposed bond financing cost of approximately \$11.6 million.

The miscellaneous Capital Improvement and Redevelopment projects are identified and outlined on Exhibit A of this report. Most have received Council/Commission approval prior to this writing with budgets as shown. The only exception is Fire Station 20, where a modification to set the final budget was presented for consideration at the City Council meeting of April 30, 2002.

FINANCIAL CONSIDERATIONS:

A large portion of the CIP's will be repaid through the General Fund Lease Obligation of the City, with the exception of the I-5 Arena Interchange, located in the North Natomas area, which will be repaid through the North Natomas Financing Plan. A portion of the bonds financing SHRA projects will be repaid partially through a Loan Agreement and partially through the Advance Repayment Agreements by and between SHRA and the Sacramento City Financing Authority.

The General Fund Lease Obligation of the City will be paid by debt service funds included in the 5-Year General Fund forecast. Fees from the North Natomas Financing Plan to support the interest portion of the I-5 Arena Interchange debt are scheduled to be brought before Council for consideration on May 28, when the 2002 update to the Plan is heard. Inclusion of the Interchange in the final debt issue is contingent on the adoption of these fees.

The City will use a portion of the bond proceeds to fund certain advances associated to the redevelopment areas within the City and County. Pursuant to the Advance Repayment Agreements, the SHRA will be obligated to repay each advance, with interest at a rate equal to the rate of the Bonds, from the tax increment revenues generated by the respective development areas. However, such repayments are not pledged as security for the Bonds and do not constitute revenue under the Indenture.

A portion of the Bonds will be used by the Authority to make a loan to the SHRA pursuant of a Loan Agreement. SHRA will use the proceeds from the 2002 Merged Downtown Loan to finance or refinance redevelopment activities within or of benefit to the SHRA's Project Areas.

ENVIRONMENTAL CONSIDERATIONS:

Council's action in adopting this resolution is exempt from CEQA. Each City project, requiring improvements has filed their respective EIR's and has been approved by City Council prior to the date of this report.


POLICY CONSIDERATIONS:

The Capital Improvement Revenue Bonds are being issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the Government Code of the State of California.

ESBD CONSIDERATIONS:


City council adoption of the attached resolutions is not affected by city policy related to ESBD.

Respectfully submitted,



Thomas P. Friery
City Treasurer

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

Sacramento City Financing Authority

2002 Revenue Bonds, Series A

Civic Center & Redevelopment Projects)

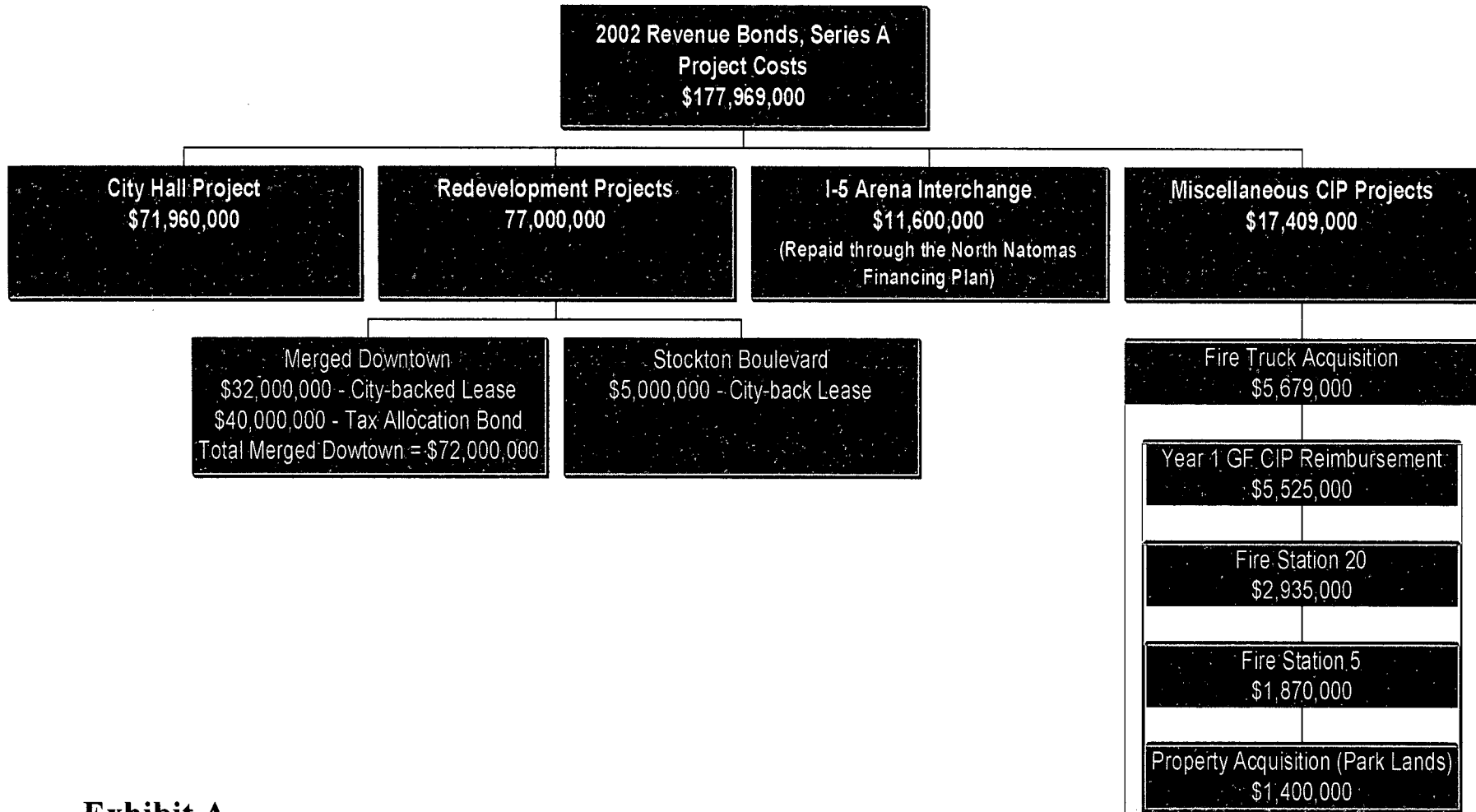


Exhibit A

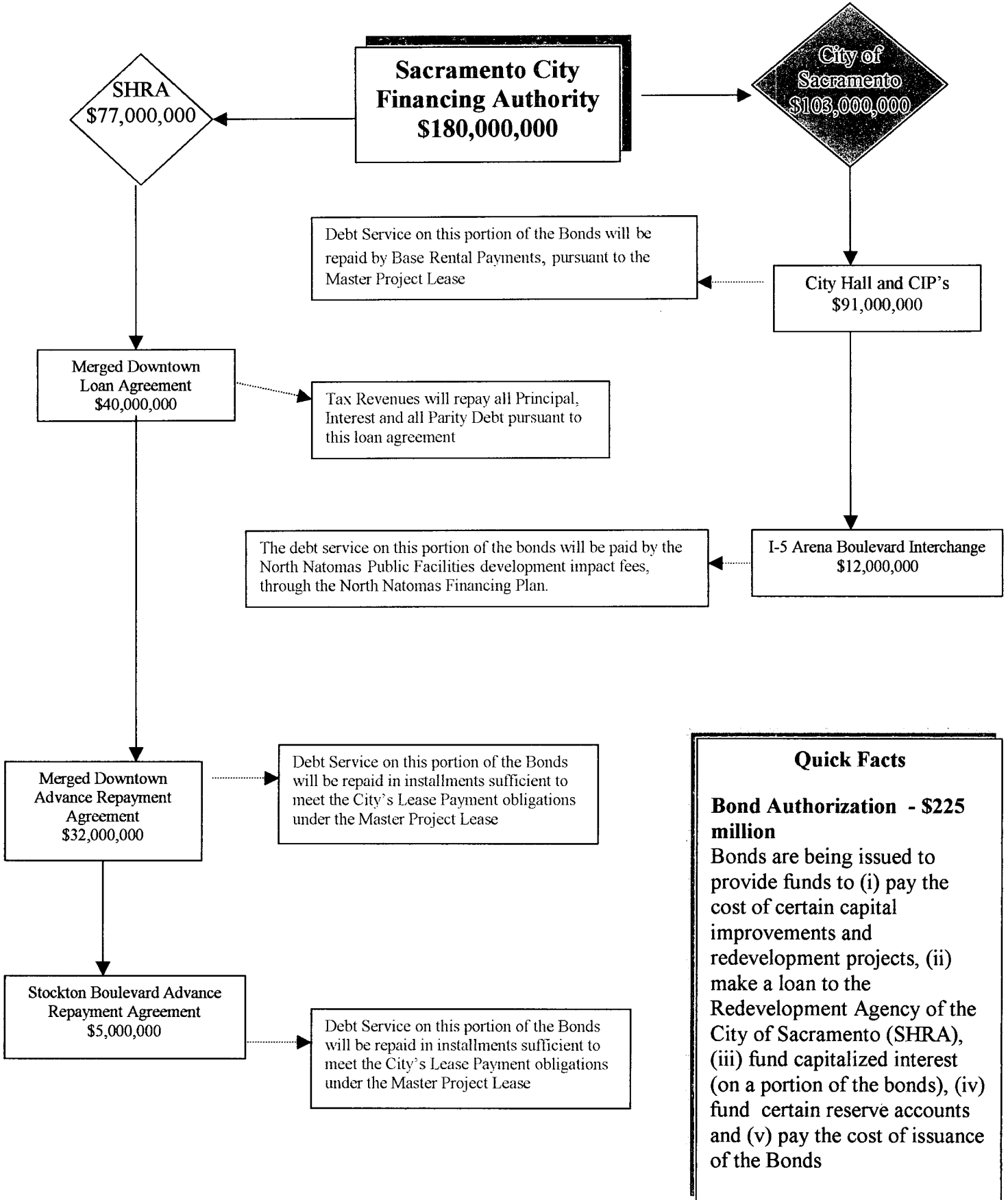
Approximate, subject to change

City Hall Project

This project consists of two main components, these are outlined below:

1. **(CE86) Refurbishment of Historic City Hall** – The 34,000 sq. ft., City Hall building which was built in 1912 will be retained and refurbished. The annex buildings and other on-site buildings built in 1930-1960 era will be demolished. The refurbishment will include replacement and repair of terra cotta, windows, brick surfaces and sheet metal. It will also include repairs of the north side of the building resulting from removal of 1930 additions. The building will also be structurally upgraded to meet FEMA 273 earthquake resistance standards by the addition of interior shear walls and tower reinforcement that will strengthen the existing building structure so that all parts work together. The interior will be modified to retain much of its historical character along with the addition of two exit stair towers and modified open office work spaces. The City Treasurer, City Clerk, and Administrative Services functions will be located within the refurbished building.
2. **(BB81) New City Hall building** – The new, City Hall building will be constructed immediately north of the historic City Hall on the same block. It will include a 60,000 sq. ft. underground parking structure for 175 cars, and five floors of office and public use space, which total 200,000 sq. ft. The building will include a new Council Chamber and offices for the City Council, City Manager, City Attorney, Public Works, Planning and Development, Budget and Finance, Parks and Recreation, and Administrative Services. The building will blend with the historical building and provide class “A” office environments. The outdoor area surrounding the new building and on the east and west sides of the historic building will be landscaped with new walks and gardens. The combined cost for Refurbished City Hall and New City Hall is \$71.96 million

Repayment Scenario



APPROVED
MAY 7 2002
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2002-264

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO LEASES WITH THE SACRAMENTO CITY FINANCING AUTHORITY AND ADVANCE REPAYMENT AGREEMENTS WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND A LOAN AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND THE SACRAMENTO CITY FINANCING AUTHORITY RELATING TO THE CITY OF SACRAMENTO CIVIC CENTER AND REDEVELOPMENT PROJECTS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE FOR THE SACRAMENTO CITY FINANCING AUTHORITY 2002 REVENUE BONDS, SERIES A (CIVIC CENTER AND REDEVELOPMENT PROJECTS) AND APPROVING THE EXECUTION AND DELIVERY BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A PURCHASE CONTRACT FOR SUCH BONDS AND APPROVING THE EXECUTION, DELIVERY AND DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF A FINAL OFFICIAL STATEMENT FOR SUCH BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City") has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes that the real property described in that certain Third Amendment to Master Site Lease, dated as of June 1, 2002 (the "Third Amendment to Master Site Lease"), by and between the City and the Sacramento City Financing Authority (the "Authority"), be leased by the City to the Authority, and that the Authority lease such real property (together with the improvements thereon) back to the City pursuant to that certain Third Amendment to Master Project Lease, dated as of June 1, 2002 (the "Third Amendment to Master Project Lease"), by and between the Authority and the City, in substantially the forms of such leases presented to this meeting, with the total principal components of the 2002A Base Rental Payments (as that term is defined in the Third Amendment to Master Project Lease) to be in an amount not exceeding one hundred eighty-five million dollars (\$185,000,000) and with the term of the Third Amendment to Master Project Lease to be not in excess of thirty and one-half (30-1/2) years; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the City Council has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes that the City finance with a portion of the proceeds received pursuant to the Third Amendment to Master Project Lease redevelopment activities (the "Activities") within the Merged Downtown Project Area Redevelopment Project and the Stockton Boulevard Project Area Redevelopment Project (collectively, the "Redevelopment Projects") by advancing funds to the Redevelopment Agency of the City of Sacramento (the "Agency") pursuant to two separate Advance Repayment Agreements with respect to the Activities, each dated as of June 1, 2002 (collectively the "Advance Repayment Agreements"), by and between the City and the Agency; and

WHEREAS, under the Third Amendment to Master Project Lease, the City will be obligated to make base rental payments to the Authority for the lease of such real property (together with the improvements thereon) to it; and

WHEREAS, the Authority will make a loan (the "Loan") to the Agency for the purpose of financing redevelopment activities within or of benefit to a redevelopment project of the Agency known and designated as the "Merged Downtown Project Area Redevelopment Project" under a Merged Downtown Loan Agreement in the aggregate principal amount of not to exceed forty million dollars (\$40,000,000), dated as of June 1, 2002 (the "Loan Agreement") to be entered into among the Agency, the City and the Authority, in substantially the form of the Loan Agreement presented to this meeting; and

WHEREAS, under the Loan Agreement, the Agency will be obligated to make loan payments to the Authority; and

WHEREAS, the Authority has determined to issue its 2002 Revenue Bonds, Series A (Civic Center and Redevelopment Projects) in an aggregate principal amount of not to exceed two hundred twenty-five million dollars (\$225,000,000) (the "Bonds") pursuant to an Indenture dated as of June 1, 2002 (the "Indenture") by and between the Authority and BNY Western Trust Company, as trustee (the "Trustee"), a portion of the proceeds of which will be used by the Authority as the source of funds for the payment to the City of the purchase price of the Third Amendment to Master Project Lease and for the payment to the Agency of the purchase price of the Loan Agreement (being the Program Obligations as defined in the Indenture); and

WHEREAS, the Authority will assign, without recourse, all its rights to receive such base rental payments from the City under the Third Amendment to Master Project Lease and such loan payments from the Agency under the Loan Agreement to the Trustee, for the benefit of the registered owners of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Authority will approve the distribution of a Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") and the Authority (with the approval of the City and the Agency) will enter into a Purchase Contract providing for the sale of the Bonds (the "Purchase Contract") and the City will execute a Continuing Disclosure Certificate for the Bonds (the "Continuing Disclosure Certificate") in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), all in

substantially the forms of the Preliminary Official Statement, the Purchase Contract and the Continuing Disclosure Certificate presented to this meeting, and (after the sale of the Bonds) the Authority (with the approval of the City and the Agency) will execute and deliver and authorize the distribution of a Final Official Statement for the Bonds (the "Final Official Statement"); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the authorization of the execution and delivery of the Third Amendment to Master Site Lease, the Third Amendment to Master Project Lease, the Advance Repayment Agreements, the Loan Agreement and the Continuing Disclosure Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized to execute and deliver the Third Amendment to Master Site Lease, the Third Amendment to Master Project Lease, the Advance Repayment Agreements, the Loan Agreement and the Continuing Disclosure Certificate and to approve the execution by the Authority of the Purchase Contract and (after the sale of the Bonds) to execute and deliver and authorize the distribution of the Final Official Statement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO, AS FOLLOWS:

Section 1. All of the foregoing recitals are true and correct, and the City Council so finds and determines.

Section 2. The City is authorized to execute and deliver the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease, and the Treasurer of the City (the "Treasurer") is hereby authorized and directed to execute the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease for and on behalf of the City, and the City Clerk of the City (the "City Clerk") is hereby authorized and directed to attest such execution and to affix the seal of the City thereto and to deliver the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease, and as executed and delivered, the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease shall be in substantially the forms presented to this meeting, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The City is authorized to execute and deliver the Advance Repayment Agreements, and the Treasurer is hereby authorized and directed to execute the Advance Repayment Agreements for and on behalf of the City and the City Clerk is hereby authorized and directed to attest such execution and to affix the seal of the City thereto and to deliver the Advance Repayment Agreements, and as executed and delivered, the Advance Repayment Agreements shall be in substantially the forms presented to this meeting, with such additions thereto or changes therein as the officer executing the Advance Repayment Agreements shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The execution of the Advance Repayment Agreements by the Agency is hereby approved.

Section 4. The City is authorized is authorized to execute and deliver the Loan Agreement, and the Treasurer is hereby authorized and directed to execute the Loan Agreement for and on behalf of the City and the City Clerk is hereby authorized and directed to attest such execution and to affix the seal of the City thereto and to deliver the Loan Agreement, and as executed and delivered, the Loan Agreement shall be in substantially the forms presented to this meeting, with such additions thereto or changes therein as the officer executing the Loan Agreement shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The execution of the Loan Agreement by the Agency is hereby approved.

Section 5. The City is authorized to execute and deliver the Continuing Disclosure Certificate, and the Treasurer is hereby authorized and directed to execute the Continuing Disclosure Certificate for and on behalf of the City and to deliver the Continuing Disclosure Certificate, and as executed and delivered, the Continuing Disclosure Certificate shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Purchase Contract between Merrill Lynch & Co. and Stone & Youngberg LLC, as the representatives of the underwriters of the Bonds (the "Representatives"), and the Authority, in substantially the form presented to this meeting, providing for the sale of the Bonds by the Authority to the Representatives, is hereby approved by the City for execution by the Authority and delivery to the Representatives, and as executed and delivered, the Purchase Contract shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Purchase Contract shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the Bonds shall bear interest at a true interest cost not to exceed six and one-half per cent (6-1/2%) per annum and with an underwriter's discount of not more than one per cent (1%) of the principal amount thereof, plus accrued interest.

Section 7. After the sale of the Bonds, the Treasurer is hereby authorized and directed for and on behalf of the City to approve the execution and delivery by the Authority to the Representatives of the Final Official Statement, with such additions thereto or changes therein as the Authority (with the approval of the City and the Agency) shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; and the Representatives are hereby directed to distribute copies of the Final Official Statement to all actual purchasers of the Bonds.

Section 8. The officers of the City are hereby each authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including without limitation, any documents as may be required in order to obtain bond insurance or to issue the Bonds in one or more series, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Third Amendment to Master Site Lease, the Third Amendment to Master Project Lease, the Advance Repayment Agreements, the Loan Agreement, the Indenture, the Purchase Contract and the Bonds, including the purchase of a bond insurance policy for the Bonds if

deemed desirable, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 9. This resolution shall take effect from and after its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Sacramento on
May 7, 2002, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

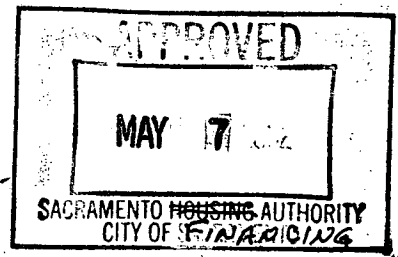
Mayor

(SEAL)

ATTEST:

City Clerk

F.A. RESOLUTION NO. 2002-003



ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

ON THE DATE OF _____

A RESOLUTION OF THE SACRAMENTO CITY FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$225,000,000 AGGREGATE PRINCIPAL AMOUNT OF SACRAMENTO CITY FINANCING AUTHORITY 2002 REVENUE BONDS, SERIES A (CIVIC CENTER AND REDEVELOPMENT PROJECTS), AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AMENDMENTS TO LEASES WITH THE CITY OF SACRAMENTO AND A RELATED LOAN AGREEMENT WITH THE CITY OF SACRAMENTO AND THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND AN INDENTURE IN CONNECTION THEREWITH, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT FOR SUCH BONDS, AND APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT FOR SUCH BONDS, AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Sacramento City Financing Authority is a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"); and

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City") has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes that the real property described in that certain Third Amendment to Master Site Lease, dated as of June 1, 2002 (the "Third Amendment to Master Site Lease"), by and between the City and the Authority, be leased by the City to the Authority, and that the Authority lease such real property (together with the improvements thereon) back to the City pursuant to that certain Third Amendment to Master Project Lease, dated as of June 1, 2002 (the "Third Amendment to Master Project Lease"), by and between the Authority and the City, in substantially the forms of such leases presented to this meeting, with the total principal components of the 2002A Base Rental Payments (as that term is defined in the Third Amendment to Master Project Lease) to be in an amount not exceeding one hundred eighty-five million dollars (\$185,000,000) and with the term of the Third Amendment to Master Project Lease to be not in excess of thirty and one-half (30-1/2) years; and

WHEREAS, under the Third Amendment to Master Project Lease, the City will be obligated to make base rental payments to the Authority for the lease of such real property (together with the improvements thereon) to it; and

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") has determined that it is in the best interests of the Agency to enter into a Merged Downtown Loan Agreement in the aggregate principal amount of not to exceed forty million dollars (\$40,000,000) dated as of June 1, 2002 (the "Loan Agreement") with the City and the Authority, in substantially the form of the Loan Agreement presented to this meeting; and

WHEREAS, under the Loan Agreement, the Agency will be obligated to make loan payments to the Authority; and

WHEREAS, the Authority has determined to issue its 2002 Revenue Bonds, Series A (Civic Center and Redevelopment Projects) in an aggregate principal amount of not to exceed two hundred twenty-five million dollars (\$225,000,000) (the "Bonds") pursuant to an Indenture dated as of June 1, 2002 (the "Indenture") by and between the Authority and BNY Western Trust Company, as trustee (the "Trustee"), a portion of the proceeds of which will be used by the Authority as the source of funds for the payment to the City of the purchase price of the Third Amendment to Master Project Lease and for the payment to the Agency of the purchase price of the Loan Agreement (being the Program Obligations as defined in the Indenture), and the City has determined that on the date of issuance of the Bonds the projects to be acquired and constructed for the City and the Agency with the proceeds of the Bonds will be located within the boundaries of the City or the Agency, or both; and

WHEREAS, the Authority will assign, without recourse, all its rights to receive such base rental payments from the City under the Third Amendment to Master Project Lease and such loan payments from the Agency under the Loan Agreement to the Trustee, for the benefit of the registered owners of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Authority will approve the distribution of a Preliminary Official Statement for the Bonds (the "Preliminary Official Statement") and the Authority will enter into a Purchase Contract providing for the sale of the Bonds (the "Purchase Contract"), all in substantially the forms of the Preliminary Official Statement and the Purchase Contract presented to this meeting, and (after the sale of the Bonds) the Authority will execute and deliver and authorize the distribution of a Final Official Statement for the Bonds (the "Final Official Statement"); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the authorization of the execution and delivery of the Third Amendment to Master Site Lease, the Third Amendment to Master Project Lease, the Loan Agreement and the Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized to execute and deliver the Third Amendment to Master Site Lease, the Third Amendment to Master Project Lease, the Loan Agreement and the Indenture and to approve the distribution of the Preliminary Official Statement and to execute and deliver

the Purchase Contract and (after the sale of the Bonds) to execute and deliver and authorize the distribution of the Final Official Statement;

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO CITY FINANCING AUTHORITY AS FOLLOWS:

Section 1. All of the above recitals are true and correct, and the Authority so finds and determines.

Section 2. The Authority is authorized to execute and deliver the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease, and the Treasurer of the Authority (the "Treasurer") is hereby authorized and directed to execute the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease for and on behalf of the Authority, and the Secretary of the Authority (the "Secretary") is hereby authorized and directed to attest such execution and to deliver the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease, and as executed and delivered, the Third Amendment to Master Site Lease and the Third Amendment to Master Project Lease shall be in substantially the forms presented to this meeting, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Authority is authorized to execute and deliver the Loan Agreement, and the Treasurer is hereby authorized and directed to execute the Loan Agreement for and on behalf of the Authority, and the Secretary is hereby authorized and directed to attest such execution and to deliver the Loan Agreement, and as executed and delivered, the Loan Agreement shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authority is authorized to execute and deliver the Indenture, and the Treasurer is hereby authorized and directed to execute the Indenture for and on behalf of the Authority, and the Secretary is hereby authorized and directed to attest such execution and to deliver the Indenture, and as executed and delivered, the Indenture shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, and the Bonds authorized to be issued under such Indenture, when executed, shall be delivered to the Trustee for authentication by the Trustee, and the Trustee is hereby requested and directed to authenticate the Bonds by executing the Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Representatives hereinafter defined in accordance with written instructions executed on behalf of the Treasurer, which instructions said officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee and which instructions shall provide for the delivery of the Bonds to such Representatives upon payment of the purchase price thereof.

Section 5. The Purchase Contract between Merrill Lynch & Co. and Stone & Youngberg LLC, as the representatives of the underwriters of the Bonds (the "Representatives"), and the Authority, in substantially the form presented to this meeting, providing for the sale of the Bonds by the Authority to the Representatives, is hereby approved by the Authority for execution and delivery by the Authority to the Representatives, and the Treasurer is hereby authorized and directed (after the approval of the City and the Agency) to execute the Purchase Contract for and on behalf of the Authority and to deliver the Purchase Contract, and as executed and delivered, the Purchase Contract shall be in substantially the form presented to this meeting, with such additions thereto or changes therein as the officer executing the Purchase Contract shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the Bonds shall bear interest at a true interest cost not to exceed six and one-half per cent (6-1/2%) per annum and with an underwriter's discount of not more than one per cent (1%) of the principal amount thereof, plus accrued interest.

Section 6. The Treasurer is hereby authorized and directed for and on behalf of the Authority to approve the distribution of the Preliminary Official Statement, in substantially the form presented to this meeting, and to certify on behalf of the Authority that the Preliminary Official Statement has been "deemed final" by the Authority, except for certain final pricing and related information pursuant to Rule 15c2-12 of the Securities and Exchange Commission, and (after the sale of the Bonds) the Treasurer is hereby authorized and directed for and on behalf of the Authority (after the approval of the City and the Agency) to execute and deliver to the Representatives the Final Official Statement, with such additions thereto or changes therein as the Treasurer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; and the Representatives are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and are directed to distribute copies of the Final Official Statement to all actual purchasers of the Bonds.

Section 7. The officers of the Authority are hereby each authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including without limitation, any documents as may be required in order to obtain bond insurance or to issue the Bonds in one or more series, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Third Amendment to Master Site Lease, the Third Amendment to Master Project Lease, the Loan Agreement, the Indenture, the Purchase Contract and the Bonds, including the purchase of a bond insurance policy for the Bonds if deemed desirable, and any such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 8. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 7th day of May, 2002.

Chair

Attest:

Secretary

DOCSSF1:534945.3

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____