

Oleham

SACRAMENTO COMMUNITY CENTER AUTHORITY

MEETING JULY 28, 1971

SUGGESTED AGENDA:

1. Approve minutes of June 30, 1971.
2. Resolution authorizing issuance of bonds. (10-71)
3. Resolution authorizing notice of sale and approving form of official statement. (11-71)
4. Resolution authorizing execution of construction contract subject to the delivery of bonds. (12-71)
5. Resolution authorizing Community Center Sublease. (13-71)

Tom

MEETING NOTICE

SACRAMENTO COMMUNITY CENTER AUTHORITY

The next meeting of the SACRAMENTO COMMUNITY CENTER AUTHORITY will be held on Wednesday, July 28, 1971, at 4:00 o'clock p. m., in the Council Chamber of the City Hall, 915 I Street, Sacramento, California.

Thomas W. Oldham
Secretary

SACRAMENTO COMMUNITY CENTER AUTHORITY

RESOLUTION NO. 11-71

RESOLUTION AUTHORIZING AND DIRECTING THE SALE OF \$19,100,000
PRINCIPAL AMOUNT OF SACRAMENTO COMMUNITY CENTER AUTHORITY
1971 BONDS AND APPROVING FORM OF OFFICIAL STATEMENT

WHEREAS, the Sacramento Community Center Authority has heretofore duly authorized the issuance of \$19,100,000 principal amount of its Sacramento Community Center Authority 1971 Bonds, and it is desirable that said bonds be offered for public sale at this time;

NOW, THEREFORE, BE IT RESOLVED by the Sacramento Community Center Authority, as follows:

Section 1. Wednesday, the 11th day of August, 1971, at the hour of 11:00 o'clock A.M. (P.S.T.), is hereby fixed as the time, and the Council Chambers of the City of Sacramento, City Hall, 915 I Street, Sacramento, California 95814, is hereby fixed as the place, at which bids will be received for the purchase of \$19,100,000 principal amount of Sacramento Community Center Authority 1971 Bonds of the Authority, subject to the terms and conditions of the notice of sale hereinafter set forth.

Section 2. The Secretary is hereby authorized and directed to cause a short form of notice of sale of said bonds to be published once, in the SACRAMENTO UNION, a newspaper of general circulation published in the City of Sacramento, County of Sacramento, State of California. Said notice shall be in substantially the following form:

NOTICE OF SALE

\$19,100,000

SACRAMENTO COMMUNITY CENTER AUTHORITY

1971 BONDS

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the governing board (the "Board") of Sacramento Community Center Authority at the Council Chambers of the City of Sacramento, City Hall, 915 I Street, Sacramento, California 95814 on

WEDNESDAY, AUGUST 11, 1971

at 11:00 o'clock A.M. (P.S.T.) for the purchase of \$19,100,000 principal amount of its Sacramento Community Center Authority 1971 Bonds (the "bonds"), authorized to be issued under the provisions of a resolution of the Authority adopted July 28, 1971 (the "Resolution") and pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The bonds are more particularly described in the Resolution (which is incorporated herein by reference) and copies thereof will be furnished to any interested bidder upon request. The bonds hereby offered for sale are generally described as follows:

ISSUE: \$19,100,000 consisting of 3,820 coupon bonds of the denomination of \$5,000 each, numbered 1 to 3,820, inclusive, or in fully registered form without coupons in denominations of \$5,000 or multiples thereof, all dated August 1, 1971. Additional bonds may be issued on a parity with the bonds on the terms and subject to the conditions set forth in the Resolution.

INTEREST RATE: Maximum not to exceed seven per cent (7%) per annum, payable semiannually on February 1 and August 1 of each year.

MATURITY: The bonds mature in consecutive numerical order, from lower to higher, on August 1 in the following years and in the following amounts:

<u>Maturity Date</u>	<u>Principal Amount</u>
1975	\$ 175,000
1976	200,000
1977	200,000
1978	225,000
1979	225,000
1980	250,000
1981	275,000
1982	300,000
1983	300,000
1984	325,000
1985	350,000
1986	375,000
1987	400,000
1988	425,000
1989	450,000
1990	475,000
1991	525,000
2006	13,625,000

REDEMPTION: The bonds are subject to redemption, under the circumstances prescribed in the Resolution, at the option of the Authority, as a whole or in part, through the application of proceeds of insurance and eminent domain proceedings. Bonds due on or before August 1, 1981, are not otherwise subject to redemption before their respective stated maturities.

Bonds due on or after August 1, 1982, are also subject to redemption prior to their respective stated maturities from any source of available funds at the option of the Authority on or after August 1, 1981, as a whole on any date, or in part on any interest payment date in inverse order of maturities and by lot within any such maturity if less than all of the bonds of such maturity be redeemed, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium of one-half of one per cent (1/2 of 1%) of such principal amount for each year or fraction thereof remaining between the date fixed for redemption and August 1, 1989, but not to exceed four per cent (4%) of such principal amount.

PURPOSE: The bonds are to be issued to finance the acquisition and construction of a community center to be leased to the City of Sacramento.

SECURITY: The bonds are secured by a first and exclusive pledge of the Revenues (as defined in the Resolution and including Base Rental payments to the Authority from the City of Sacramento, California, under a Project Lease between the Authority and the City). Bidders are referred to the Resolution and to the Official Statement for further particulars.

OFFICIAL STATEMENT AND
OFFICIAL NOTICE OF SALE:

The Authority has caused an official statement and an official notice of sale to be prepared, copies of which may be obtained at the office of the Authority's Financing Consultant, Blyth & Co., Inc., 555 California Street, San Francisco, California 94104 or at its offices in other principal cities.

Dated: July 28, 1971.

THOMAS W. OLDHAM
Secretary of Sacramento Community
Center Authority

Section 3. A draft form of official statement of the Authority relating to said bonds having been submitted by Blyth & Co., Inc., financing consultant to the Authority, the Authority hereby approves said official statement in substantially the form thereof so submitted and directs the Secretary to file said form of official statement with the minutes of this meeting.

Said financing consultant is hereby authorized and directed to cause to be mailed to prospective bidders for said bonds copies of the resolution authorizing the issuance thereof, of the agreement establishing this Authority (excluding EXHIBIT "A" thereto), of a form of a proposed lease to be executed in connection with such issuance, the official statement in substantially the form submitted to this Board and an official notice of sale of said bonds in substantially the following form, the cost of such mailing to be borne by the Authority.

OFFICIAL NOTICE OF SALE

\$19,100,000

SACRAMENTO COMMUNITY CENTER AUTHORITY

1971 BONDS

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the governing board (the "Board") of Sacramento Community Center Authority at the Council Chambers of the City of Sacramento, City Hall, 915 I Street, Sacramento, California 95814 on

WEDNESDAY, AUGUST 11, 1971

at 11:00 o'clock A.M. (P.S.T.) for the purchase of \$19,100,000 principal amount of its Sacramento Community Center Authority 1971 Bonds (the "bonds"), authorized to be issued under the provisions of a resolution of the Authority adopted July 28, 1971 (the "Resolution") and pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The bonds are more particularly described in the Resolution (which is incorporated herein by reference) and copies thereof will be furnished to any interested bidder upon request. The bonds hereby offered for sale are generally described as follows:

ISSUE: \$19,100,000 consisting of 3,820 coupon bonds of the denomination of \$5,000 each, numbered 1 to 3,820, inclusive, or in fully registered form without coupons in denominations of \$5,000 or multiples thereof, all dated August 1, 1971. Additional bonds may be issued on a parity with the bonds on the terms and subject to the conditions set forth in the Resolution.

INTEREST RATE: Maximum not to exceed seven per cent (7%) per annum, payable semi-annually on February 1 and August 1 of each year. Bidders must specify the rate or rates of interest which the bonds shall bear. Bidders will be permitted to bid different rates of interest, provided that: (i) the difference between the lowest and highest rates specified in any bid shall not exceed 1-1/2% per annum; (ii) each interest payment shall be represented by a single coupon and supplemental coupons will not be permitted; (iii) each bond must bear a single rate of interest payable from its date to its stated maturity date at the interest rate specified in the bid; (iv) each interest rate specified must be in a multiple of 1/8 or 1/20 of 1% per annum and a zero rate of interest must not be specified; (v) no bid will be accepted which provides for the cancellation or surrender of any interest coupon or the waiver of any interest on any of the bonds or other concession by the bidder as a substitute for payment in full of the purchase price (including premium) in funds immediately available

SINKING FUND:

A Sinking Fund, calculated to retire the term Bonds (maturing in the year 2006), is provided for under the terms of the Resolution.

REDEMPTION:

The bonds are subject to redemption, under the circumstances prescribed in the Resolution, at the option of the Authority, as a whole or in part, through the application of proceeds of insurance and eminent domain proceedings. Bonds due on or before August 1, 1981, are not otherwise subject to redemption before their respective stated maturities. Bonds due on or after August 1, 1982, are also subject to redemption prior to their respective stated maturities from any source of available funds at the option of the Authority on or after August 1, 1981, as a whole on any date, or in part on any interest payment date in inverse order of maturities and by lot within any such maturity if less than all of the bonds of such maturity be redeemed, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium of one-half of one per cent (1/2 of 1%) of such principal amount for each year or fraction thereof remaining between the date fixed for redemption and August 1, 1989, but not to exceed four per cent (4%) of such principal amount.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America, at the principal office of the Trustee, in San Francisco, California. In the case of coupon bonds, both principal and interest are also payable, at the option of the holder, at the principal office of the paying agent of the Authority in New York, New York, or at the office of the paying agent of the Authority in Chicago, Illinois.

REGISTRATION: Coupon bonds may be exchanged for a like aggregate principal amount of fully registered bonds of authorized denominations of the same maturity, and fully registered bonds may be exchanged for a like aggregate principal amount of coupon bonds (or for a like aggregate principal amount of fully registered bonds of other authorized denominations) of the same maturity. There will be no charge for the first exchange of any definitive bond in the form in which it is originally issued.

PURPOSE: The bonds are to be issued to finance the acquisition and construction of a community center to be leased to the City of Sacramento.

SECURITY: The bonds are secured by a first and exclusive pledge of the Revenues (as defined in the Resolution and including Base Rental payments to the Authority from the City of Sacramento, California, under a Project Lease between the Authority

and the City). Bidders are referred to the Resolution and to the Official Statement for further particulars.

TAX EXEMPT STATUS: In the event that prior to the delivery of the bonds (a) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the Board, be relieved of his obligation under the contract to purchase the bonds and in such case the deposit accompanying his bid will be returned. The Authority has applied to the United States Treasury Department for a specific ruling relating to the Authority and the tax exempt status of its bonds. Receipt of a favorable ruling is a condition prerequisite to the delivery of the bonds.

LEGAL OPINION: The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be furnished to the successful

bidder without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the purchaser.

TERMS OF SALE

Highest Bid: The bonds will be awarded to the highest bidder, considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the Authority would be required to pay from the date of the bonds to their maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Authority. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest will be computed on a 360-day year basis. The cost of printing the bonds will be borne by the Authority.

Right of Rejection: The Board reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award: Subject to the above conditions of sale, the Board will take action awarding the bonds or rejecting all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Appointment of Trustee: The successful bidder will be permitted to select the Trustee of the Authority subject, however, to the approval by resolution of the Authority appointing the Trustee. The Trustee so selected must meet the requirements of Section 8.01 of the Resolution.

Delivery and Payment: Delivery of the bonds will be made to the successful bidder at the principal office of the Trustee, in San Francisco, California, as soon as the bonds can be prepared, which the Authority estimates will be within 30 days from the date of sale. Payment for the bonds must be made in funds immediately available to the Authority in San Francisco, California.

Right of Cancellation: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Authority shall fail to execute the bonds and tender the same for delivery within

60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

Form of Bid: All bids must be for not less than all of the bonds hereby offered for sale, and for not less than the par value thereof and accrued interest to date of delivery. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Sacramento Community Center Authority, at the address above mentioned and endorsed "Proposal for Sacramento Community Center Authority 1971 Bonds."

Bid Check: With each bid must be submitted a certified check or cashier's check for \$250,000, drawn on a bank or trust company transacting business in the State of California, payable to the order of the Authority to secure the Authority from any loss resulting from the failure of the bidder to comply with the terms of his bid. Checks of the unsuccessful bidders will be returned by the Authority by mail upon the award of the bonds. No interest will be paid upon the deposit made by any bidder.

Estimate of Net Interest Cost: Bidders are requested, but not required, to supply an estimate of the total net interest cost to the Authority on the basis of their respective bids, which shall be considered

as informative only and not binding on either the bidder or the Authority.

No Litigation: There is no litigation pending concerning the validity of the bonds, the corporate existence of the Authority or the title of the officers thereof to their respective offices, and the Authority will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

Official Statement: The Authority has caused an official statement to be prepared, copies of which may be obtained at the office of the Authority's Financing Consultant, Blyth & Co., Inc., 555 California Street, San Francisco, California 94104 or at its offices in other principal cities.

Dated: July 28, 1971.

THOMAS W. OLDHAM
Secretary of Sacramento Community
Center Authority

PASSED AND ADOPTED this 28th day of July,
1971, by the following vote:

AYES: Members

NOES:

ABSENT:

[SEAL]

Chairman of the Sacramento
Community Center Authority

ATTEST:

Secretary of the Sacramento
Community Center Authority

SECRETARY'S CERTIFICATE

I, THOMAS W. OLDHAM, Secretary of the Sacramento Community Center Authority (the "Authority"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the members of the Authority duly and regularly held at the regular meeting place thereof on July 28, 1971, of which meeting all of the members of the Authority had due notice and at which a majority thereof were present:

At said meeting said resolution was adopted by the following vote:

AYES: Members

NOES:

ABSENT:

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes;

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: July 28, 1971.

[SEAL]

Secretary of the Sacramento
Community Center Authority

SACRAMENTO COMMUNITY CENTER AUTHORITY

RESOLUTION NO. 12-71

RESOLUTION OF THE GOVERNING BOARD OF SACRAMENTO COMMUNITY
CENTER AUTHORITY APPROVING AND AUTHORIZING THE EXECUTION
OF CONSTRUCTION CONTRACT SUBJECT TO SALE AND DELIVERY OF
BONDS

WHEREAS, the City of Sacramento and the
County of Sacramento have heretofore executed a Joint
Exercise of Powers Agreement, dated for convenience as
of November 25, 1969, establishing this Authority and
providing for the financing and construction of a City
and County community center for the City of Sacramento
and the County of Sacramento, together with incidental
facilities;

NOW, THEREFORE, BE IT RESOLVED by the Governing
Board of the Sacramento Community Center Authority as
follows:

1. The construction contract for the con-
struction of a City and County community center for the
City of Sacramento and the County of Sacramento, together
with incidental facilities, presented to this Governing
Board is hereby approved. The Secretary is directed to
file a copy of said construction contract with the
minutes of this meeting and the Chairman is hereby

authorized and directed to execute and the Secretary is hereby authorized and directed to affix the seal of the Authority and to attest said contract in substantially the form hereby approved, all concurrently with, and subject to, the delivery by this Authority of its Sacramento Community Center Authority 1971 Bonds authorized pursuant to a resolution of this Authority adopted on July 28, 1971.

PASSED AND ADOPTED this 28th day of July, 1971,
by the following vote:

AYES: Members

NOES:

ABSENT:

[SEAL]

Chairman of the Governing Board
of the Sacramento Community
Center Authority

Attest:

Secretary of the Sacramento
Community Center Authority

SECRETARY'S CERTIFICATE

I, THOMAS W. OLDHAM, Secretary of the Sacramento Community Center Authority (the "Authority"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the members of the Authority duly and regularly held at the regular meeting place thereof on July 28, 1971, of which meeting all of the members of the Authority had due notice and at which a majority thereof were present:

At said meeting said resolution was adopted by the following vote:

AYES: Members

NOES:

ABSENT:

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes;

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: July 28, 1971.

[SEAL]

Secretary of the Sacramento
Community Center Authority

SACRAMENTO COMMUNITY CENTER AUTHORITY

RESOLUTION NO. 13-71

RESOLUTION OF THE GOVERNING BOARD OF SACRAMENTO COMMUNITY
CENTER AUTHORITY APPROVING COMMUNITY CENTER SUBLEASE

WHEREAS, the City of Sacramento and the County of Sacramento have heretofore executed a Joint Exercise of Powers Agreement, dated for convenience as of November 25, 1969, establishing this Authority and providing for the financing and construction of a City and County community center for the City of Sacramento and the County of Sacramento, together with incidental facilities; and

WHEREAS, such Joint Exercise of Powers Agreement provides for a community center sublease from the City of Sacramento to the County of Sacramento; and

WHEREAS, the Proposed Project Lease between this Authority and the City of Sacramento, dated for convenience as of August 1, 1971, requires the written consent of this Authority to any sublease of any interest of the City thereunder;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Sacramento Community Center Authority as follows:

1. This Authority hereby consents to the sublease to the County of Sacramento of certain portions of the interest of the City created under the Proposed Project Lease, all pursuant to the Community Center Sublease attached as EXHIBIT "A" to said Joint Exercise of Powers Agreement.

PASSED AND ADOPTED this 28th day of July, 1971, by the following vote:

AYES: Members

NOES:

ABSENT:

[SEAL]

Chairman of the Governing Board
of the Sacramento Community
Center Authority

Attest:

Secretary of the Sacramento
Community Center Authority

SECRETARY'S CERTIFICATE

I, THOMAS W. OLDHAM, Secretary of the Sacramento Community Center Authority (the "Authority"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the members of the Authority duly and regularly held at the regular meeting place thereof on July 28, 1971, of which meeting all of the members of the Authority had due notice and at which a majority thereof were present:

At said meeting said resolution was adopted by the following vote:

AYES: Members

NOES:

ABSENT:

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes;

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: July 28, 1971.

[SEAL]

Secretary of the Sacramento
Community Center Authority



CITY OF SACRAMENTO

DEPARTMENT OF LAW
812 TENTH ST. SACRAMENTO, CALIF. 95814
SUITE 201 TELEPHONE (916) 449-5346

JAMES P. JACKSON
CITY ATTORNEY
DAVID W. McMURTRY
ASSISTANT CITY ATTORNEY
THOMAS HAAS
DEPUTY CITY ATTORNEY
NANCY SALZMAN
DEPUTY CITY ATTORNEY

July 27, 1971

MEMORANDUM

TO: THOMAS W. OLDHAM
CITY CLERK

FROM: CITY ATTORNEY

RE: SACRAMENTO COMMUNITY CENTER MEETING
JULY 28, 1971

The following resolutions should be adopted by the Sacramento Community Center Authority at its meeting on July 28, 1971:

1. Resolution authorizing issuance of bonds.
2. Resolution authorizing notice of sale and approving form of official statement.
3. Resolution authorizing execution of construction contract subject to the delivery of bonds.
4. Resolution authorizing Community Center Sublease.

I would like copies of the resolution authorizing the issuance of the bonds delivered to the Community Center members today. I would appreciate it if your girl could make this delivery. Walt Slipe has copies of the resolution.

I will see that they are delivered to you.

James P. Jackson
JAMES P. JACKSON
CITY ATTORNEY

JPJ:gd



CITY OF SACRAMENTO

DEPARTMENT OF LAW

812 TENTH ST. SACRAMENTO, CALIF. 95814
SUITE 201 TELEPHONE (916) 449-5346

JAMES P. JACKSON
CITY ATTORNEY
DAVID W. MCMURTRY
ASSISTANT CITY ATTORNEY
THOMAS HAAS
DEPUTY CITY ATTORNEY
NANCY SALZMAN
DEPUTY CITY ATTORNEY

July 27, 1971

HAND CARRIED

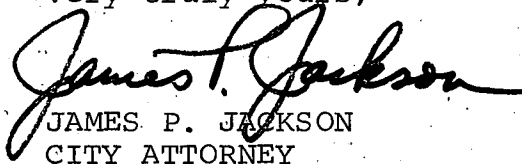
Sacramento Community Center Authority
City Hall
Sacramento, California

Gentlemen:

At the SCCA meeting scheduled for July 28, 1971, the Authority will be asked to approve the Resolution Authorizing the Issuance of the Community Center Bonds, and the Official Statement. Copies of these documents, which were just received today, are enclosed.

Since we are short of copies of the documents, we ask that you bring them to the July 28th meeting. If you have any questions prior to the meeting relating to the documents, please call Walter Slipe (449-5326) or me.

Very truly yours,


JAMES P. JACKSON
CITY ATTORNEY

JPJ:gd
enclosures
cc: Walter Slipe
City Clerk

BLYTH & CO. INC.

555 California Street
San Francisco, California 94104

July 23, 1971

NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES
SEATTLE
PORTLAND

TELEPHONE: (415)
362-8000

CABLE ADDRESS
BLYTHCO

Mr. Walter J. Slipe,
Assistant City Manager
City of Sacramento
City Hall
915 'I' Street
Sacramento, Ca. 95814

Dear Walter:

We understand there has been a minor revision to the cost estimates provided you yesterday by letter. The architect's fee has been negotiated downward to \$956,000 and the amount estimated to be received from the room tax has been reduced to \$327,000. Combined, these two adjustments produce an increase of \$11,000 for contingencies and this amount now stands at \$353,000. The revised project costs are shown below and the bond issue size remains at \$19.1 million.

Construction (all alternates)		\$12,512,000
Land acquisition		3,800,000
Architect's fees		956,000
Insurance reserve fund*		500,000
Contingencies		353,000
Bond issuing costs		200,000
Inspection costs		175,000
Insurance premiums		100,000
Field tests, Surveys		<u>50,000</u>
Sub-total		\$18,646,000
Less: Funds on hand*	\$1,445,000	
Investment income	1,000,000	
Architect's fees paid	642,000	
Room tax to be appropriated	<u>327,000</u>	<u>3,414,000</u>
Net required		\$15,232,000
Interest (3 years @ 6 3/4%)		<u>3,868,000</u>
Bond issue size		<u>\$19,100,000</u>

*To be provided from funds on hand

FROM -

TERRY COMERFORD
VICE PRESIDENT
BLYTH + CO., INC

-continued-

Mr. Walter J. Slipe


-2-

July 23, 1971

I hope that the Authority meeting next Wednesday for adoption of the various documents can be held in the morning so as to give the printer additional time to print the documents as adopted.

Very truly yours,

BLYTH & CO., INC.



T.E. Comerford
Vice President

cc Messrs. Dick Salladin
H.J. Trainor
Fred Goldstein



CITY OF SACRAMENTO

DEPARTMENT OF LAW
812 TENTH ST. SACRAMENTO, CALIF. 95814
SUITE 201 TELEPHONE (916) 449-5346

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DEPUTY CITY ATTORNEY

July 27, 1971

HAND CARRIED

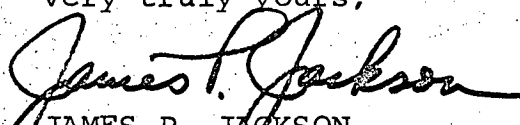
Sacramento Community Center Authority
City Hall
Sacramento, California

Gentlemen:

At the SCCA meeting scheduled for July 28, 1971, the Authority will be asked to approve the Resolution Authorizing the Issuance of the Community Center Bonds, and the Official Statement. Copies of these documents, which were just received today, are enclosed.

Since we are short of copies of the documents, we ask that you bring them to the July 28th meeting. If you have any questions prior to the meeting relating to the documents, please call Walter Slipe (449-5326) or me.

Very truly yours,


JAMES P. JACKSON
CITY ATTORNEY

JPJ:gd
enclosures
cc: Walter Slipe
City Clerk

BLYTH & CO., INC.

555 California Street
San Francisco, California 94104

July 23, 1971

TELEPHONE: (415)
362-8000

CABLE ADDRESS
BLYTHCO

NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES
SEATTLE
PORTLAND

Mr. Walter J. Slipe,
Assistant City Manager
City of Sacramento
City Hall
915 'I' Street
Sacramento, Ca. 95814

Dear Walter:

We understand there has been a minor revision to the cost estimates provided you yesterday by letter. The architect's fee has been negotiated downward to \$956,000 and the amount estimated to be received from the room tax has been reduced to \$327,000. Combined, these two adjustments produce an increase of \$11,000 for contingencies and this amount now stands at \$353,000. The revised project costs are shown below and the bond issue size remains at \$19.1 million.

Construction (all alternates)		\$12,512,000
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Bond issuing costs		200,000
Inspection costs		175,000
Insurance premiums		100,000
Field tests, Surveys		<u>50,000</u>
Sub-total		\$18,646,000
Less: Funds on hand*	\$1,445,000	
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*To be provided from funds on hand

FROM -

TERRY COMERFORD
VICE PRESIDENT
BLYTH + CO., INC

-continued-

Mr. Walter J. Slipe

-2-

July 23, 1971

I hope that the Authority meeting next Wednesday for adoption of the various documents can be held in the morning so as to give the printer additional time to print the documents as adopted.

Very truly yours,

BLYTH & CO., INC.



T.E. Comerford
Vice President

cc Messrs. Dick Salladin
H.J. Trainor
Fred Goldstein

Sacramento Community Center Authority
Sacramento County, California

OFFICIAL STATEMENT

Relating to

\$19,100,000

Sacramento Community Center Authority
1971 Bonds

THE DATE OF THIS OFFICIAL STATEMENT IS JULY 28, 1971

SACRAMENTO COMMUNITY CENTER AUTHORITY

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RONALD H. PARKER, *City Engineer*

WEST E. DILLON, *City Treasurer*

County Staff

CARL G. JOHNSON, *County Executive*

JOHN B. HEINRICH, *County Counsel*

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ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE, *San Francisco*
BOND COUNSEL

MILLER & AMES / CORROON & BLACK, *San Francisco*
INSURANCE CONSULTANT

BLYTH & CO., INC., *San Francisco*
FINANCING CONSULTANT

SACRAMENTO COMMUNITY CENTER AUTHORITY

July 28, 1971

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to furnish information regarding the issuance and sale of \$19,100,000 principal amount 1971 Bonds proposed to be issued by the Sacramento Community Center Authority. It is presented for the information of all who may become holders of the bonds described herein.

The material contained in this Official Statement was compiled for and at the direction of the Sacramento Community Center Authority by Blyth & Co., Inc., in its capacity as financing consultant to the Authority. Included in the Official Statement is a 15-year projection, commencing in 1974 when construction of the Project is scheduled to be completed, of annual transient occupancy tax collections by Sacramento County and the City of Sacramento and admissions tax revenues by the City. This projection was provided by the City of Sacramento and is based upon information contained in reports by Stanford Research Institute (SRI), Development Research Associates (DRA), Convention Bureau Managers of Comparable Centers and by R. A. Schoettler, Consultant of the Sacramento Architectural Collaborative. Summaries of the Resolution of Issuance and other documents and engineering reports contained herein do not purport to be complete or authoritative and reference is made to such documents on file at the offices of the City for further information concerning legal and engineering matters.

This Official Statement is not to be construed as a contract with the purchasers of the bonds. Copies of the Resolution which forms a contract with the bondholders will be made available upon request. Any statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so designated, are intended as such and not as representations of fact.

All legal matters incident to the authorization, issuance and sale of the 1971 Bonds herein described are subject to the approval of Messrs. Orrick, Herrington, Rowley & Sutcliffe, San Francisco, Bond Counsel, James P. Jackson, Esq., City Attorney, and John B. Heinrich, Esq., County Counsel.

The execution and distribution of this Official Statement have been authorized by the Authority.

SACRAMENTO COMMUNITY CENTER AUTHORITY
By WALTER CHRISTENSEN
Chairman

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(TO COME)

SACRAMENTO COMMUNITY CENTER AUTHORITY

INTRODUCTORY

The Sacramento Community Center Authority (the "Authority") is an independent governmental agency created by a joint exercise of powers agreement (the "Agreement") between the County of Sacramento and the City of Sacramento. The Authority was formed in November 1969 to provide a complex of civic structures (the "Facilities") including an exhibit hall, an activities building, a theater, and related facilities which will be located in downtown Sacramento on two adjacent blocks bounded by 13th Street, 14th Street, J Street and L Street (the "Site"). Both the City and County will share in the use of the Site and Facilities (the "Project").

The Authority is issuing \$19,100,000 par value of lease revenue bonds (the "Bonds") to finance its obligations under the Agreement. The Agreement will continue in full force and effect until such time as the Bonds have been paid in full or provision made for such payment.

The City will lease the Project from the Authority pursuant to the Project Lease between the City and the Authority and upon completion of construction, estimated to take thirty months, will make annual lease payments ("Base Rental") sufficient to amortize the Bonds. Once payment for all the Bonds outstanding is fully provided for, the Project Lease and the Agreement may be terminated and all assets distributed to the City.

Design and plans for the Sacramento Community Center Complex were provided by the Sacramento Architects Collaborative, a joint venture of four local architect firms: Angello-Vitiello & Associates; Barovetto & Carissimi, Inc.; James C. Dodd; and Koblik, Cordoba, Gervin & Associates.

Options to purchase have been obtained on all 17 parcels comprising the Site which have been deposited in escrow pending the delivery of the Bonds. Negotiations for acquisition of the two-block Site were conducted by Mr. David E. Lane, the Authority's land acquisition agent, for a total purchase price of \$3,800,000.

On June 17, 1971 bids were received for construction of the Facilities. The contract called for bids on three basic parts, namely, demolition and clearance, construction of buildings, utilities and site development and installation of furniture and equipment. There were also 27 alternate bid items for specific purposes which were additive costs. A total of three bids were received from contractors. Due to the complexity of the bid items, a thorough review of each bid submitted was conducted before the final award was made on July 1, 1971 to Nielsen-Nickles Co. of Sacramento and Carl W. Olson & Sons of San Mateo, a joint venture, for the total contract price, including all the alternate bid items, of \$12,512,000, but notice to proceed is being delayed until after the Bonds are delivered.

Interest on the Bonds will be funded for 36 months through August 1, 1974, or approximately 6 months longer than the estimated construction period. On August 15, 1974 and annually thereafter, the City will make lease payments to the Trustee for the account of the Authority for payment of the debt service due on the Bonds during the ensuing year. The City expects to make lease payments from its collections of transient occupancy tax and admissions tax receipts. The City will also receive lease payments from the County pursuant to a lease agreement ("Sublease") wherein the County in consideration for the use of certain facilities in the Project will pay the City, to the extent needed, all its net collections from transient occupancy taxes. Additional funds, if required, will come from other general fund sources of the City. Both the City and the County have agreed each year to appropriate necessary funds in their respective budgets to meet their lease payment obligations for the ensuing fiscal year.

As of June 30, 1971, a total of \$1,701,767 had been accumulated in the City's Transient Occupancy Tax Fund since April 1, 1965, including \$200,922 from interest earnings, and hold in the Sacramento Community Center Authority Fund \$504,243 from the County transient occupancy tax collections and investment earnings. Projected receipts from these sources together with collections from admissions tax receipts indicate that the City will be required to draw from other general fund sources until approximately 1988 to meet its estimated Base Rental obligations.

THE BONDS

Authority of Issuance

The Sacramento Community Center Authority 1971 Bonds (the "Bonds") were authorized in the amount of \$19,100,000 pursuant to Resolution No. of the Sacramento Community Center Authority adopted July 28, 1971 (the "Resolution") and in accordance with the provisions of Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. Reference to the Resolution must be made for a full description of the conditions governing their issuance and for complete particulars relating to the Bonds.

Description of the Bonds

The Bonds will consist of an aggregate principal amount of \$19,100,000 and may be issued in coupon form registrable as to principal only, in the denomination of \$5,000 each, or in fully registered form in the denomination of \$5,000 or multiples thereof. The Bonds will be dated August 1, 1971. Interest is payable semi-annually on each February 1 and August 1. Interest and principal of the Bonds are payable at the office of the Trustee in San Francisco, or, in the case of coupon bonds, at the principal office of the Paying Agents designated in Chicago and New York.

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Serial Bonds mature annually August 1, 1975 through August 1, 1991, and term Bonds mature August 1, 2006, as set forth in the following table:

Maturity Date August 1	Principal Amount	Maturity Date August 1	Principal Amount
1975	\$175,000	1984	\$325,000
1976	200,000	1985	350,000
1977	200,000	1986	375,000
1978	225,000	1987	400,000
1979	225,000	1988	425,000
1980	250,000	1989	450,000
1981	275,000	1990	475,000
1982	300,000	1991	525,000
1983	300,000		
	2006 (Term Bonds)		\$13,625,000

Minimum sinking fund payments to retire the term Bonds are established in the following amounts:

August 1	Amount	August 1	Amount
1992	\$ 550,000	2000	\$ 925,000
1993	600,000	2001	1,000,000
1994	625,000	2002	1,050,000
1995	675,000	2003	1,125,000
1996	725,000	2004	1,200,000
1997	775,000	2005	1,300,000
1998	825,000	2006	1,375,000
1999	875,000		

Redemption Features

Except as provided in the Resolution concerning application of proceeds from insurance or eminent domain proceedings to retirement of Bonds at par on any date, the Bonds maturing on or before August 1, 1981 are not subject to redemption prior to their stated maturity dates. Bonds maturing on and after August 1, 1982 are subject to redemption prior to their respective stated maturities, at the option of the Authority as a whole on any date, or in part on any interest payment date in inverse order, by lot, from any source of available funds, on or after August 1, 1981, at the principal amount thereof and accrued interest to the date fixed for redemption plus a premium of one-half of one percent ($\frac{1}{2}$ of 1%) for each year or fraction thereof remaining between the date fixed for redemption and August 1, 1989, not to exceed 4%.

Registration

The Bonds may be issued in coupon form or in fully registered form. Coupon bonds and fully registered bonds will be interchangeable upon payment of certain costs, except that there will be no charge for the first exchange of any definitive bond in the form in which it is originally issued. Registration and deregistration of the Bonds may be accomplished at the main office of the Trustee in San Francisco.

Legal Opinion

The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe of San Francisco, California approving the validity of the Bonds will be made available to purchasers at the time of original delivery and a copy of the legal opinion will be printed on each Bond.

Tax Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of California personal income taxes under existing statutes, regulations and court decisions, and the Bonds are exempt from all California taxes except inheritance, gift and franchise taxes. Application has been made to the Internal Revenue Service for a letter ruling as to exemption of interest on the Bonds from present Federal income taxes. It is a condition to the delivery of the Bonds that a favorable ruling be received by the Authority.

Eligibility as Security for Public Funds

In the opinion of Bond Counsel, the Bonds are eligible to secure deposits of public funds in California.

Eligibility for National Banks

A request has been made to the Controller of the Currency for a ruling that the Bonds of the Authority are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks. An answer is expected prior to the date of sale of the Bonds.

Disposition of Bond Proceeds

All proceeds from sale of Bonds will be deposited by the Trustee as follows:

- (a) To the Interest Fund, an amount, including premium and accrued interest received, sufficient to pay interest becoming due and payable on the Bonds to and including August 1, 1974.
- (b) To the Working Capital Fund, the sum of \$2,500.
- (c) To the Construction Fund the remainder of Bond proceeds.

Security of the Bonds

The Bonds are revenue bonds of the Sacramento Community Center Authority, secured by a lease from the City of Sacramento and payable from Revenues received under the terms of the Project Lease between the Authority and the City. Under this Lease, the Authority agrees to finance construction of the facilities in accordance with City-approved plans and specifications. The City agrees to make annual lease rental payments for the completed Project in amounts and in a manner so as to provide adequate funds each year to pay all debt service on the Bonds.

Lease payments will be due annually on each August 15 in amounts at least sufficient to meet debt service requirements due on the ensuing February 1 and August 1. Such payments will be made directly to the Trustee by the City for the benefit of the Bonds. The Authority will provide the Trustee, prior to the beginning of each fiscal year and not later than the date fixed for public hearing on the proposed City budget, a determination that the amounts so budgeted are fully adequate for payment of all rentals due under the Project Lease in the then-ensuing fiscal year.

The Bonds are not a debt, liability or obligation of the City of Sacramento. The Project Lease constitutes a legal, valid and binding instrument in accordance with its terms. The obligation of the City to pay each year's rental during the term of the Project Lease will be valid and enforceable in accordance with its terms, subject to the limitations on legal remedies against cities in the State of California. The rentals payable by the City to the Authority under the terms of the Project Lease constitute the only source of the Authority for the payment of the Bonds and such rentals are payable from the funds of the City legally available therefor.

Additional Bonds

Under provisions of the Resolution the Authority may issue additional Bonds either to complete construction of the Project or for additions thereto. Additional Bonds may be issued only in the event the City obligates itself to increased lease rental payments in such amounts as may be necessary to pay fully future annual debt service on all outstanding Bonds and on any such additional Bonds proposed to be issued.

Investment of Funds

Moneys held by the Trustee in any of the funds established pursuant to the Resolution may be invested in Federal Securities (principally direct obligations of the United States Government, as defined in the Resolution) or time deposits (including certificates of deposit), provided that such investments made with moneys in the Interest Fund, the Redemption Fund and the Sinking Fund shall mature on or before the time when said funds are required to meet obligations of these funds. In other funds, moneys shall be invested in obligations which, as nearly as practicable, mature on or before the date on which invested moneys are required for expenditure.

Insurance

So long as any of the Bonds are outstanding, the Authority is required to maintain or cause to be maintained, the following insurance against loss or damage to any structures constituting any part of the Project:

- (a) Fire and lightning insurance (with extended coverage endorsement and a vandalism and malicious mischief endorsement), earthquake insurance and war damage insurance.
- (b) Public liability insurance of not less than \$500,000 for one person and \$1,000,000 for more than one person involved in one accident, property damage insurance not less than \$250,000 for each accident, and Workmen's Compensation Insurance to cover all persons employed in connection with the Project.
- (c) Rental income insurance in an amount not less than the total Base Rental payable by the City for a period of at least 24 months, plus Additional Rental expected during the same period.

Upon delivery of the Bonds, the Authority is required to provide at its own expense a title insurance policy in the amount of \$19,100,000 insuring the Authority's fee simple title in the site.

After completion of construction, earthquake insurance need be maintained only if it is obtainable at reasonable cost on the open market and war damage insurance only if it is obtainable from the United States government. All structures within the scope of the Project will be insured to 100% of replacement cost. Earthquake and war damage insurance may be subject to a deductible clause of not to exceed the standard deduction then available (currently 5% on earthquake insurance) of replacement cost for any one loss. All other insurance may be subject to deductible clauses of not to exceed \$10,000 for any one loss.

The city, prior to Bond delivery, will contribute \$500,000 to the Insurance Reserve Fund to be established and maintained by the Trustee. The Trustee shall apply such moneys first to the payment of losses sustained by reason of accident or destruction of any structure of the Project not covered by the required insurance and next to the payment of loss of rental income from the Project not covered by the required insurance.

Eminent Domain Proceedings

If all or any part of the Project is taken by eminent domain proceedings, any income resulting from such proceedings shall be deposited with the Trustee who shall apply and disburse such funds only after making a determination as to the effect of the eminent domain proceedings on the ability of the Authority to meet any of its obligations to holders of the Bonds.

After making such determination, the Trustee may treat such proceeds as Revenue or, in the event such proceedings have not materially affected the ability of the Authority to meet its obligations and upon filing of certificates, requisitions and other documents as the Trustee may request, disburse such funds for repair or rehabilitation of the Project all as more fully provided in the Resolution.

Additional Covenants

The Authority covenants that it will promptly proceed with financing acquisition of the Site and construction of the Facilities, that upon completion of the Project it will collect all rents and charges due for occupancy or use of the Project and enforce all of its rights under the Project Lease. The Authority further covenants that it will:

1. Maintain or cause to be maintained the Project in good condition and repair;
2. Punctually pay the interest and principal on the Bonds;
3. Pay or cause to be paid all taxes, assessments and other charges, if any, that may be levied, assessed or charged against the Project;
4. Keep proper books of record and account and not more than 120 days after the close of the fiscal year prepare an audit report;
5. Keep the Project free from judgments, mechanics' and materialmen's liens and free from other liens, claims, demands and encumbrances;
6. Observe and perform all valid and lawful obligations and regulations imposed on it by contract or prescribed by any law of the United States or the State of California;
7. Faithfully observe and perform all the covenants, conditions and requirements of the Resolution; and
8. Make, execute and deliver or cause to be executed and delivered any further resolutions or assurances as may be reasonably necessary or proper to carry out the intent and to better assure holders of the Bonds of rights and benefits provided by the Resolution.

Amendment

The holders of 60 percent of the Bonds outstanding at any time may approve amendment of the Resolution. No such amendment, however, may extend any maturity, reduce the principal amount required for consent to amendment, or reduce the interest rate of any Bonds, the time of payment of interest, or any premium payable upon redemption thereof without express consent of the holder.

THE AUTHORITY

Under the provisions of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, the City of Sacramento and the County of Sacramento formed the Sacramento Community Center Authority by means of a Joint Exercise of Powers Agreement executed on November 25, 1969. The Authority exists as a separate and independent governmental entity which has the power to acquire land and improvements and to construct, maintain and operate a community center for public assembly and convention purposes. It may issue bonds for the purpose of exercising its powers and for raising funds necessary to carry out its obligations under the Agreement.

Members

Five prominent citizens comprise the governing board of the Authority, two appointed by the County Board of Supervisors and three by the City Council. In addition, both the County and the City select one alternate each. The term of office for each member and alternate is three years but may be terminated at any time by the governing board which made the appointment. A secretary is also appointed who need not be a member of the board.

The present governing board has two vacancies which are temporarily being filled by alternates. Serving as the first chairman is Mr. Walter Christensen, a realtor and former City Councilman (City appointee). The vice-chairman is Mr. George W. Artz, an attorney/developer (County appointee). The other regular member is Mr. David C. Rust, an attorney (City appointee). The County-appointed alternate is Mr. Alfred W. Riolo, a researcher, and Mr. Edmond A. Combatalade, a public relations official, is the alternate selected by the City.

The City Treasurer and the City Controller are Treasurer and Controller, respectively, of the Authority. The Chairman, Treasurer and Controller are designated as public officers of the Authority, and as such have charge of any property of the Authority. The officers are required to file an official bond with the Secretary of the Authority for at least \$100,000.

The Authority is responsible for all the debts, liabilities and obligations which it alone incurs and neither the County nor the City is liable therefor.

Joint Exercise of Powers Agreement

The Agreement which created the Authority in November, 1969 will remain in force so long as the Bonds are outstanding unless provision has been made for their payment in full. If such provision for payment of all the Bonds is made, the County and the City may mutually rescind the Agreement. At the termination of the Agreement the assets of the Authority will be distributed to the City.

The Agreement provides that the City select and employ qualified architects for the preparation of plans and specifications. The City shall act as agent for the Authority in obtaining construction bids, letting the construction contract and supervising the construction. The Authority agrees to lease to the City all the land and improvements comprising the Project and the City shall pay, as Base Rental, amounts at least sufficient to make principal and interest payments on the Bonds. The City is also required to pay Additional Rental in amounts sufficient to pay all other expenses of the Authority. The City shall operate and maintain the Project at its own expense for the benefit of the inhabitants of the County and the City.

The County agrees to pay the Authority its net collections of transient occupancy taxes from April 1, 1965 through June 30, 1970 as consideration of the City operating the Project for the benefit of the County inhabitants. The County also agrees to sublease certain portions of the Project for which the County will pay annually to the City an amount not exceeding net County transient occupancy tax receipts collected in the preceding fiscal year. Such lease payments are to commence when the County begins to make use of its designated portion of the Project.

The event of a default by either party shall not excuse that party from fulfilling its obligations under the Agreement. Both the City and the County grant the Authority the right to enforce by any appropriate means all the obligations of each of the parties involved in the Agreement.

Project Lease

Under the terms of the Project Lease to be dated August 1, 1971 the City agrees to lease the Site and Facilities from the Authority. The Project Lease will end on August 1, 2006 unless extended or terminated earlier. The term of the Project Lease may be extended if Bonds or other indebtedness of the Authority incurred to construct the Project are not fully paid or retired by August 1, 2006 or as of such date the Resolution is not discharged by its terms, or if rental was abated at any time, but in no event will the term of the Lease be extended beyond August 1, 2016. When all the above conditions have been satisfied, the Project Lease shall be terminated ten days thereafter or upon ten days written notice by the City to the Authority.

The City agrees to take possession of the Project when it is substantially completed in accordance with the plans and specifications prepared by Sacramento Architects Collaborative (the "Architects"). The City will not be required to commence making lease payments until after it takes possession of the Project and in the event of a delay, the term of the Lease shall be extended a like period but not beyond August 1, 2016. It is contemplated that the City will take possession of the Project about February 1, 1974. The first Base Rental would then become due on August 15, 1974 and subsequent Base Rentals would be due annually on each August 15 in amounts to be determined once the Bonds have been sold.

In addition to the Base Rental, the City is responsible for payment of insurance premiums, administrative costs of the Authority and for taxes and assessments which may be charged to the Authority or which may affect the Project. These items constitute Additional Rental which shall be billed the City by the Authority from time to time, which billings shall be paid within ten days after receipt by the City. The Base Rental and Additional Rental shall constitute "Total Rent".

Construction will be undertaken by the City as agent for the Authority. Notice to proceed on the construction contract will be given within twenty-four hours after the issuance of the Bonds. The time within which the contractor is required to complete the facilities shall be extended for a period equal to any extensions of time which the contractor is entitled under the construction contract and any delays resulting from causes beyond the reasonable control of the contractor or the Authority.

The City shall procure and maintain throughout the term of the Lease, fire and extended coverage insurance, liability insurance and rental income insurance. The rental income insurance shall cover loss of the use of any structures in the Project resulting from hazards covered by the fire and extended coverage policy obtained for the Project. This loss of rental income shall be sufficient to pay Total Rent for 24 months.

Should the City default and fail to make proper remedy, the Authority has the right to terminate the Project Lease or not and re-enter and relet the premises as agent for the City but, in any such event, the City will remain liable for payment of Total Rent.

The Sublease

In consideration of the City operating the Project for the benefit of the entire County, the County agreed to contribute to the Authority as of June 30, 1970 an amount equal to all County net transient occupancy tax receipts collected since April 1, 1965. In addition, once the City takes possession of the Project, expected to be before August 1, 1974, the County will sublease certain portions of the Project from the City. Under this Sublease, the County agrees to pay the City before August 15, 1974 and annually on or before each August 15 thereafter so long as the Bonds are outstanding, the County net transient occupancy tax receipts collected during the preceding fiscal year to the extent such collections are needed after the City applies its net collections of transient occupancy tax receipts and admission tax receipts to the Base Rental then due.

The County covenants to include all rental payments in its annual budget and to make the necessary appropriations for all such rental payments. The City and the County agree that during the term of this Sublease, both shall continue to levy and to collect transient occupancy taxes in the amount of at least 5% of the total transient occupancy rents charged within the respective jurisdictions. As an alternative, however, either the City or the County (or both) may, at its option, determine not to levy such a tax, or reduce the rate of such tax, but in such event, both of the parties agree that the County shall remain liable to the City for rental payments due under the Sublease for an amount equal to that amount which the County would have collected had such a tax been levied and collected by the County.

In addition to its rental payments, the County is also responsible for its allocated portion of all utility services supplied such as janitorial, power, gas, telephone, light, heat, water and for the cost of repair and replacement of the Project resulting from want of care on the part of the County.

If the County is deprived from use and occupancy of any of its subleased portion of the Project by reason of damage or destruction, the County will be entitled to an abatement of rental in the same proportion as the initial cost of that portion which is rendered unusable bears to the initial cost of the entire Project. This rental abatement shall continue until repair or reconstruction is completed and the County waives the right to terminate the sublease by virtue of any such damage or destruction, but shall extend the Sublease by the period during which the rental is abated, except that in no event shall the Sublease be extended beyond August 1, 2016.

——(TO COME)——

THE PROJECT

The Site and Surrounding Area

The proposed Sacramento Community Center Complex will be located on a two-block area bounded by 13th Street, 14th Street, J Street and L Street. The Site contains 17 separate parcels which are all in escrow awaiting delivery of the Bonds. Located generally in the eastern end of the Central Business District in the core area, the Site anchors the east end of the Downtown Plaza Mall which extends six blocks along K Street between 13th Street and 7th Street.

In close proximity to the Site are several other points or areas of interest. The south boundary, L Street, forms the north boundary of Capitol Park, the grounds on which the State Capitol building is located approximately one block to the southwest. The entry into the State Capitol from the west is the Capitol Mall which is part of the Urban Renewal Program administered by the Sacramento Redevelopment Agency. The Capitol Mall was formerly Capitol Avenue which was widened to include a median grass strip in the center with trees planted along each side. The Capitol Mall is bordered by new buildings including the Federal Building, I.B.M. Building, Plaza Towers, Wells Fargo Bank, Crocker Citizens Bank, McKeon Office Building Complex and the Sacramento Union building. At the west end of the Downtown Plaza Mall is another Urban Renewal area for commercial development. Immediately to the north is the Chinatown development covering two blocks bounded by I Street, J Street, 3rd Street and 5th Street. The Mexican Center is being planned for the adjacent block between 5th Street and 6th Street and will feature early California architecture. An area designated as "Old Sacramento" where once gold miners swarmed, is being reconstructed to restore past folklore. The area from the I Street South viaduct south to Capitol Mall and from Interstate Highway 5 Freeway to the Sacramento River is being developed for commerce, business and tourist trade. The Crocker Art Gallery, the oldest art museum west of the Mississippi River, was built by Mrs. E. B. Crocker and deeded to the City and the California Museum Association. The gallery, which contains a complete display of art, sculpture and artifacts, is located between 3rd Street and Interstate Highway 5 Freeway and between N Street and P Street.

North of the Downtown Plaza Mall along I Street are various City and County buildings including the historic City Hall structure and the County Hall of Justice. The Memorial Auditorium which has a capacity of is located one block east of the Site.

Facilities

The Sacramento Community Center Complex will comprise three structures: an exhibition hall, an activities building and a theater. The exhibition hall will contain 80,000 square feet of interior and 7,000 square feet of exterior exhibition space and will be located on the north block nearest to the existing Memorial Auditorium. The activities building is designed with an area of 25,000 square feet and houses a series of banquet and meeting rooms for the complex and the administrative center. This building is to be the center structure and will act as the terminus and focal point of the Downtown Plaza Mall. The theater will cover 75,000 square feet and contain 2,350 seats, using an orchestra level and two balconies. This building will be situated on the south block next to Capitol Park. All three buildings are designed with reinforced steel frames and pre-cast concrete inserts.

The Architects

The design and planning stage of the proposed Sacramento Community Center Complex was handled by the joint venture firms of Angello-Vitiello-Associates; Barovetto & Carissimi, Inc.; James C. Dodd; Koblik, Cordorba & Gervin, all local architects which formed the Sacramento Architects Collaborative. Also retained was Mr. Pietro Belluschi, an architect of international acclaim to serve as Conceptual Design Consultant. The Sacramento Architects Collaborative collectively has completed projects the total costs of which are in excess of \$100 million and has work in various phases of progress representing some \$23 million.

The Contractor

Nielson-Nickles Company of Sacramento and Carl W. Olson & Sons Co. of San Mateo formed a joint venture to construct the complex. The firm of Nielson-Nickles Company was formed as a partnership in 1960 and incorporated in 1963. The company maintains licenses in California, Nevada and Arizona and is experienced in construction of projects ranging from complex industrial and manufacturing projects to high quality commercial and retail buildings. Since 1962 the company has completed projects totalling \$58,300,000.

Carl W. Olson & Sons Co. is a California corporation and a wholly-owned subsidiary of Olson Construction Company of Lincoln, Nebraska which was incorporated in 1914. Since 1963, when Carl W. Olson & Sons Co., began operations from its San Mateo office, it has completed 36 jobs totalling \$69,300,000 in cost of construction and has four in process which will represent \$23,300,000 more.

Project Costs and Resources

Funds to meet estimated Project costs are being supplied from both Bond proceeds and contributions from the City and the County. Project costs include funded interest on the Bonds for 3 years to extend beyond the estimated construction period. Also, a reserve for contingencies equal to about 2.8% of the total construction cost is being provided, all as set forth below:

Project Costs:		
Construction	\$12,512,000	
Land acquisition	3,800,000	
Architects total fee	956,000	
Insurance Fund Reserve	500,000*	
Construction contingencies	353,000	
Bond issuing costs	200,000	
Inspection costs	175,000	
Insurance premiums	100,000	
Field tests and surveys	50,000	
Subtotal		\$18,646,000
Add: Interest (3 years at 6¾%)		3,868,000
Total Costs		<u>\$22,514,000</u>
Sources of Funds:		
Bond proceeds	\$19,100,000	
Funds on hand	1,445,000*	
Investment income	1,000,000	
Transient occupancy taxes to be appropriated	327,000	
Architects fees paid	642,000	
Total sources and credits		<u>\$22,514,000</u>

*Insurance Reserve Fund to be established from funds on hand.

Earthquake Considerations

The Geophysics Research Group of the Coast and Geodetic Survey under the U. S. Department of Commerce publishes a Seismic Risk Map of the United States. This map which was presented at the Fourth World Conference on Earthquakes held in January, 1969 in Santiago, Chile, was compiled from earthquake data of approximately 28,000 shocks which have been known to occur within the boundaries of the United States. The Seismic Risk Map shows four types of zones which reflect various degrees of intensities: Zone 0 (no damage); Zone 1 (minor damage; distant earthquakes may cause damage to structures with fundamental periods greater than 1.0 seconds; corresponds to intensities V and VI of the Modified Mercalli Scale); Zone 2 (moderate damage; corresponds to VII of the Modified Mercalli Scale); and Zone 3 (major damage; corresponds to intensity VIII and higher of the Modified Mercalli Scale). The Modified Mercalli (MM) Intensity Scale has twelve gradients based on actual observations of earthquake effects at specific points. These varying intensity grades range from shocks not felt by people except under especially favorable circumstances (I) to total damage (XII). The Seismic Risk Map has been approved by the International Conference Building Officials for inclusion in the Uniform Building Code which is used by the City to guide structural design.

The State of California is partially contained in Zone 2 and partially in Zone 3. Sacramento is wholly situated within a Zone 2 and enjoys the lowest earthquake insurance rates in California.

In a September 1966 issue of Sunset Magazine, an article by Robert Iacobi entitled "Earthquake Country" elaborated on structural damage under intensity VII setting forth the following specific items: Plaster and stucco fall, windows and furniture break, loosened brickwork and tiles shake down, cornices fall from towers and high buildings, bricks and stones are dislodged, heavy furniture overturns and concrete irrigation ditches are considerably damaged.

Historically, the City has suffered comparatively negligible damage from earthquakes. The strongest shocks felt in Sacramento were noted in 1891, 1892, 1898, 1902, 1903, 1906, 1954 and 1966. None had epicenters located within the County and the maximum extent of damage reported from these was the toppling of chimneys in the 1892 shock. The 1906 San Francisco earthquake was assigned a VI intensity in the Sacramento area, one gradient less than the MM VII intensity for a Zone 2. In December, 1954 a major earthquake with its epicenter located in northwestern Nevada was felt within an area of 200,000 square miles. The City registered a VI intensity reporting \$20,000 damage to a 9,500,000-gallon underground water tank at the City's filtration plant when a supporting column toppled and the roof settled to the water surface. The most recent major shock occurred in April, 1968 which registered V intensity.

The City Engineer's office has indicated that the Community Center structures are designed according to Zone 2 considerations but with an additional safety factor of approximately 50%.

Rental Payments

City transient occupancy taxes are collected under the provisions of the City Ordinance No. 2577 (4th Series) dated December 24, 1964, effective April 1, 1965. Cumulative revenue through June 30, 1971 was \$1,701,767, representing \$1,500,845 in collections, penalties and interest charges and \$200,922 from investment income. Shown below is a six-year summary of receipts and disbursements of the City transient occupancy tax.

**CITY OF SACRAMENTO TRANSIENT OCCUPANCY TAX
ANNUAL COMPARISON OF RECEIPTS AND DISBURSEMENTS
Through June 30, 1971**

Receipts					
Fiscal Year	Transient Occupancy Tax, Penalties, Interest	Interest Earned on Investments	Total	Disbursements	Balance as of June 30
1965-66	\$ 206,882	\$ 4,688	\$ 211,570	\$ 10,937	\$200,633
1966-67	213,318	15,097	228,415	11,468	417,580
1967-68	220,116	26,496	246,612	6,408	657,784
1968-69	265,676	46,357	312,033	103,911	865,906
1969-70	289,832	62,233	352,065	348,743	869,228
1970-71	305,021	46,051	351,072	279,009	941,291
Six year totals	<u>\$1,500,845</u>	<u>\$200,922</u>	<u>\$1,701,767</u>	<u>\$760,476</u>	<u>\$941,291</u>

Collections by the County from April 1, 1965 through June 30, 1970 totalled \$471,388, which is deposited, along with investment earnings to June 30, 1971 of \$32,855, in the Sacramento Community Center Authority Fund.

Upon completion of the theater, a tax on admission charges will be levied. In the projection below revenues from this source are first shown in 1975 which assumes one year of use. This projection is taken from estimates of Stanford Research Institute (1962 Report), Development Research Associates (1965 Report and 1969 Review) and estimates of the Sacramento Architectural Collaborative.

**PROJECTION OF TRANSIENT OCCUPANCY TAX AND ADMISSIONS TAX
COLLECTIONS AFTER COMPLETION OF PROJECT**

	Transient Occupancy Tax Collections		Admissions Tax Collection	Total Collections
	City	County		
1974	\$ 376,378	\$158,820	\$ —	\$ 535,198
1975	403,665	170,335	74,000	648,000
1976	432,931	182,684	78,000	693,615
1977	464,318	195,928	82,000	742,246
1978	497,981	210,133	86,000	794,114
1979	534,085	225,368	90,000	849,453
1980	572,806	241,707	95,000	909,513
1981	614,334	259,231	100,000	973,565
1982	658,874	278,025	104,000	1,040,899
1983	706,642	298,182	109,000	1,113,824
1984	757,873	319,800	114,000	1,191,673
1985	812,819	342,985	118,000	1,273,804
1986	871,749	367,852	123,000	1,362,601
1987	934,951	394,521	128,000	1,457,472
1988	1,002,734	423,124	133,000	1,558,858

Beginning in 1988, annual collections are expected to be in amounts at least sufficient for annual Base Rental payments, thereby removing the need for moneys from other general fund sources in future years. The following is the estimated Bond retirement schedule assuming a 6¾ % rate.

**\$19,100,000 SACRAMENTO COMMUNITY CENTER 1971 BONDS
ESTIMATED BOND RETIREMENT SCHEDULE**

Year Ending August 1	Bonds Outstanding	Interest at 6¾ %	Bonds Retired	Total Debt Service
1972	\$19,100,000	\$1,289,300	\$ —	\$1,289,300
1973	19,100,000	1,289,300	—	1,289,300
1974	19,100,000	1,289,300	—	1,289,300
1975	19,100,000	1,289,300	175,000	1,464,300
1976	18,925,000	1,277,400	200,000	1,477,400
1977	18,725,000	1,264,000	200,000	1,464,000
1978	18,525,000	1,250,400	225,000	1,475,400
1979	18,300,000	1,235,300	225,000	1,460,300
1980	18,075,000	1,220,100	250,000	1,470,100
1981	17,825,000	1,203,200	275,000	1,478,200
1982	17,550,000	1,184,600	300,000	1,484,600
1983	17,250,000	1,164,400	300,000	1,464,400
1984	16,950,000	1,144,100	325,000	1,469,100
1985	16,625,000	1,122,200	350,000	1,472,200
1986	16,275,000	1,098,600	375,000	1,473,600
1987	15,900,000	1,073,300	400,000	1,473,300
1988	15,500,000	1,046,300	425,000	1,471,300
1989	15,075,000	1,017,600	450,000	1,467,600
1990	14,625,000	987,200	475,000	1,462,200
1991	14,150,000	955,100	525,000	1,480,100
1992	13,625,000	919,700	550,000	1,469,700
1993	13,075,000	382,600	600,000	1,482,600
1994	12,475,000	342,100	625,000	1,467,100
1995	11,850,000	799,900	675,000	1,474,900
1996	11,175,000	754,300	725,000	1,479,300
1997	10,450,000	705,400	775,000	1,480,400
1998	9,675,000	653,100	825,000	1,478,100
1999	8,850,000	597,400	875,000	1,472,400
2000	7,975,000	538,300	925,000	1,463,300
2001	7,050,000	475,900	1,000,000	1,475,900
2002	6,050,000	408,400	1,050,000	1,458,400
2003	5,000,000	337,500	1,125,000	1,462,500
2004	3,875,000	261,600	1,200,000	1,461,600
2005	2,675,000	180,600	1,300,000	1,480,600
2006	1,375,000	92,800	1,375,000	1,467,800

Maximum annual debt service is indicated to occur in 1982, which at \$1,484,600, will require approximately \$511,035 from other general fund sources after applying estimated receipts of \$973,565 to be collected during the preceding year.

SACRAMENTO COMMUNITY CENTER AUTHORITY 1971 BONDS THE CITY OF SACRAMENTO

Historical

The City of Sacramento is located at the confluence of the Sacramento and American Rivers in the south-central portion of the broad and fertile Sacramento Valley, also known as the Great Central Valley, which lies between the Cascade and Sierra Nevada mountains to the east and the Salmon Mountains on the west. Although Sacramento is approximately seventy-five air miles northeast of San Francisco, its temperature range is more extreme than that of most northern California coastal cities, ranging from an average of 47.2 degrees F. in January to 73.6 degrees F. in July. Average elevation of the City is thirty feet.

Sacramento was incorporated as a city in 1849 although it had been settled in the 1830's during which time Captain John A. Sutter acquired a 50,000-acre land grant. It was on Sutter's farm that the City was planned in 1848. The discovery of gold on the American River during that same year triggered the Forty-Niner gold rush which led to the development of Sacramento as the supply center for the northern mines of the Mother Lode. However, the agricultural potential of the Sacramento Valley, which has not received the extensive historical publicity that gold mining activity has, was just as important to the future of the City. That potential has been developed over the years and is now one of the most important single elements in the economy of Sacramento, Sacramento County and adjacent areas.

Another significant development occurred in 1854 when Sacramento became the State capital. Today state government employees and related activities contribute substantially to the well-being of the City.

In 1856 Sacramento was the western terminus of California's first railroad, which ran a distance of approximately twenty-five miles to Folsom. Shortly thereafter it provided the starting point for the first trans-continental railroad, the Central Pacific, which later became the Southern Pacific. Prior to completion of that railroad Sacramento was the western-most station for the Pony Express.

City Government and Finances

By 1921 the City had grown to a population of over 66,000 and in that year adopted a City Charter which provides for a nine-member elected City Council. There are no other elected City Officials. The Council appoints the City Manager, City Attorney, City Clerk and City Treasurer to carry out its adopted policies. It is interesting to note that Sacramento was one of the first cities to utilize the Council-Manager form of government which has since become recognized as an efficient and effective method of providing municipal services, as demonstrated by the fact that over 2,200 cities have now adopted this plan. The present City Manager is Mr. R. L. Raffthon who was appointed to this position in 1968 and prior to that time served as City Planning Director for years and Assistant City Manager for years.

The current City tax rate is \$2.89 per \$100 of assessed valuation, which together with other diversified revenue sources provides funds for governmental services. The City operates its own water and sewer utilities and charges rates which are adequate both to support operations and provide capital development funds (including debt service costs) for these utilities.

The following table provides a five-year history of receipts and disbursements in the City's General Fund from which all activities not provided for by special restricted or self-supporting funds are financed.

CITY OF SACRAMENTO
GENERAL FUND RECEIPTS, DISBURSEMENTS AND SURPLUS
1965-66 THROUGH 1969-70

Proof of July 27, 1971
GALLEY 18—

SACRAMENTO—3052

Bowne of S.F., Inc., 981-7882

	1965-1966	1966-1967	1967-1968	1968-1969	1969-1970
RECEIPTS					
Current Taxes	\$ 9,905,740.76	\$ 9,960,083.93	\$10,499,078.63	\$12,557,332.65	\$14,170,204.76
Delinquent Personal Property Taxes	—	—	—	—	—
Prior Year Taxes	340,116.79	288,372.64	488,977.26	571,007.79	613,267.29
Sales Tax	5,470,482.10	5,521,666.41	5,985,077.60	6,364,362.00	9,141,794.91
Tax Penalties and Interest	77,673.38	60,066.82	40,030.49	20,219.59	18,827.20
Licenses	562,809.12	548,710.09	532,591.75	553,048.66	827,563.91
Permits	241,896.45	193,097.49	234,839.51	256,573.47	404,169.43
Municipal Court Fines	275,128.92	269,692.95	298,948.84	262,409.98	270,076.67
Franchises—Gas (P.G.&E.)	103,764.75	101,160.85	108,640.19	105,121.95	111,791.33
Rentals	70,683.81	61,135.35	63,714.80	96,386.60	64,892.56
Interest	565,753.91	640,442.95	621,687.25	718,896.66	736,409.75
Public Improvement Redemptions	—	—	—	—	—
Public Library Fines	22,514.20	23,098.28	23,299.62	23,358.24	23,203.62
Subventions and Grants	1,927,728.41	1,938,526.98	1,974,404.66	2,052,172.05	2,093,580.97
Fees and Charges	1,097,915.76	1,103,044.46	561,923.03	514,352.94	538,784.00
Sale of Property	2,886.77	54,520.09	20,875.20	23,232.86	7,040.56
Miscellaneous Revenue	1,397,765.55	2,208,503.69	1,163,644.88	1,139,898.65	1,564,830.23
Total Receipts	\$22,062,860.68	\$22,972,122.98	\$22,617,733.71	\$25,258,374.09	\$30,586,437.19
DISBURSEMENTS					
General Government	\$ 3,458,770.46	\$ 3,691,024.04	\$ 3,936,873.15	\$ 4,254,696.42	\$ 4,660,644.12
Protection to Person and Property	8,884,428.60	9,816,010.20	10,692,043.77	11,804,924.23	12,677,648.35
Health and Sanitation	—	—	—	—	173,306.05
Public Works	2,569,161.41	2,445,859.70	2,383,115.83	2,399,314.02	2,498,570.80
Maintenance and Operation of Public Building	477,866.57	486,566.81	517,111.79	561,811.74	658,062.67
Education	825,933.79	916,444.70	936,599.78	996,314.76	1,292,981.62
Parks and Recreation	2,348,063.51	2,449,488.90	2,769,195.18	2,897,322.97	3,229,473.03
Miscellaneous	846,012.73	809,319.37	835,129.77	813,194.90	(66,090.75)
Public Service Enterprises	—	—	—	—	1,328,444.00
Interest and Redemption of Debt	485,115.08	708,552.50	696,385.00	700,085.00	698,522.50
Total Disbursements	\$19,895,352.15	\$21,323,266.22	\$22,766,454.27	\$24,427,664.04	\$27,151,562.39
Surplus	\$ 2,167,508.53	\$ 1,648,856.76	\$ (148,720.56)	\$ 830,710.05	\$ 3,434,874.80

Actual tax rates, assessed valuations and tax collections are shown below for the most recent five years.

**CITY OF SACRAMENTO
ASSESSED VALUE, TAX RATES AND TAX COLLECTIONS
FIVE-YEAR RECORD**

Fiscal Year Ending June 30	Total Assessed Value	City Tax Rate	Current Year Tax Collections
1967	\$531,227,884 ^①	\$2.07	\$ 9,960,084
1968	518,858,798	2.17	10,488,800
1969	522,468,811	2.57	12,557,332
1970	527,767,843	2.89	14,783,472
1971	534,843,763	2.89	—

^① Prior to 1966-67 the City maintained its own assessed valuation records at an approximate rate of 33% of market value. Since 1966-67 the assessment function was taken over by the County which assigned values at about 23.6% of market value and is assigning a 25% ratio in 1971-72.

The following is a statement by *California Municipal Statistics, Inc.* showing direct and overlapping debt as of March 25, 1971 and includes the City's \$4,500,000 General Obligation 1965 Municipal Improvement Bonds of Series C which sold on that date. Although not a debt of the City, the proposed \$19,100,000 Sacramento Community Center Authority 1971 Bond issue is also included as 100% applicable debt against the City.

**CITY OF SACRAMENTO
STATEMENT OF DIRECT AND OVERLAPPING DEBT**

Issuing Agency	Percent Applicable	Debt Outstanding March 25, 1971
Sacramento County	43.198%	\$ 2,149,101
Sacramento-Yolo Port District	41.141	6,317,201
Sacramento Municipal Utility District	48.402	9,669,268 ^①
Other Special Districts	Various	476,180
Los Rios Joint Junior College District	37.427	6,463,643
Sacramento City Unified School District	84.988-86.408	32,036,735
Other School Districts	Various	6,179,213
City of Sacramento	100.	15,673,000 ^②
City 1915 Act Bonds	100.	18,743,673
City Redevelopment Agency Tax Allocation Bonds	100.	8,620,000
City Parking Authority	100.	8,000,000
City of North Sacramento	100.	135,000
Sacramento Community Center Authority	100.	19,100,000
County 1915 Act Bonds (Southeast Sewer)	55.	2,431,000
Total Gross Direct and Overlapping Bonded Debt		\$135,994,014
Less: Sacramento M.U.D. (100% self-supporting)		9,669,268
City sewer bonds (100% self-supporting)		995,000
Redevelopment Agency bonds (not on regular tax rolls)		8,620,000
Sacramento-Yolo Port District (1966 Issue 100% self-supporting)		2,283,326
Total Net Direct and Overlapping Bonded Debt		\$114,826,420

Ratios to Assessed Valuation:^③

Gross Direct Debt	2.93%
Net Direct Debt	2.74%
Gross Total Debt	25.43%
Net Total Debt	21.39%

Source: California Municipal Statistics, Inc.

^① Excludes revenue bonds.

^② Excludes water, sewer, and parking revenue bonds.

^③ 1970-71 Assessed Valuation of \$534,843,763. The State Board of Equalization reports that 1970-71 Sacramento County assessed valuations average 21.4% of full value. Public utility property (\$56,920,230) is assessed by the State Board of Equalization at 31% of market value.

Utilities

As mentioned earlier the City operates both sewer and water utilities. The City's sewer system is part of an overall sanitary sewer plan for the Sacramento Metropolitan Area. The Metropolitan Area has been divided into several large service areas and within these areas, where there are existing sewer systems, operating districts are supported financially either by the imposition of service charges or through taxation. Any new installation requiring use of a septic tank or other private disposal system requires approval of the Sacramento County Department of Health which must be obtained before a building permit is issued. A report must also be filed with the Central Valley Regional Water Quality Control Board (users of existing private installations are also required to make such a report) so that through the operations of this body, sewage disposal systems can be controlled in a manner that prevents water pollution throughout the Metropolitan Area.

The City of Sacramento is unique among large California cities in that it has an abundant water supply delivered to its boundaries by two rivers. The City has rights to appropriate 900 cubic feet per second from the Sacramento and American rivers through permits from the State Water Rights Board. These rights are supplemented with storage in Folsom Reservoir obtained by contract with the United States Bureau of Reclamation. The available supply is adequate to furnish the peak summer water demand for a population of 1,100,000, the population estimated to be within the service area by the year 2030. Currently 76,159 water accounts are being served by the City and during the last year 27.4 billion gallons were provided for domestic and industrial consumption. Three plants supply treated water to the service area south of the American River. Water obtained from wells in the area north of the American River is of high quality and needs no treatment except for chlorination. Each of the three treatment plants includes a high-service station to distribute treated water throughout the City at service pressures. Four elevated storage tanks located at strategic points serve to maintain uniform pressures throughout the distribution system which includes some 950 miles of water mains ranging in size from four inches to sixty inches in diameter. Consumers receive unlimited and unmetered quantities of water at rates which are among the lowest in California.

Another public body, the Sacramento Municipal Utility District, supplies electrical energy to approximately 98% of the users in the County. This district now has hydroelectric facilities completed, or under construction, from which it can supply up to 628,000 kilowatts. In addition, by mid-1973 the district's generating capacity will be increased to 1,528,000 KW with the completion of its Rancho Seco 900,000 KW nuclear generating plant. In March, 1971, the district had an across-the-board 10% rate increase, only the second rate increase in its 24-year history (there have been five rate reductions during this same period). Despite the recent increase, current rates are among the lowest in the nation and lower than in other California communities of comparable size. Such a comparison reflects in addition to the difference in operations, the fact that the district is not subject to Federal or State taxes on income or, in all cases, to local ad valorem taxes, and that interest on district bonds is tax exempt.

Pacific Gas and Electric Company serves natural gas throughout Sacramento County which is supplied from sources in California, the Southwest and Canada. P.G.&E. is one of the oldest privately owned utility firms in California and is the largest in the United States. For many years it has provided adequate natural gas and electric service for the continually growing population in its area. Rates charged natural gas users in Sacramento are economical and special lower rates are available for industrial users under an interruptible service arrangement. Such users must have emergency facilities and a fuel supply available in the event an interruption in service is necessary.

The City of Sacramento is served by Pacific Telephone and Telegraph Company which is the principal telephone supplier in the County. However, several telephone firms are active in the area including General Telephone Company of California, Citizens Utilities Company of California and the Roseville Telephone Company.

Transportation

Excellent transportation service is provided in Sacramento. Water borne facilities are under jurisdiction of the Sacramento-Yolo Port District (ships can reach Sacramento from San Francisco Bay in less than eight hours). Four major freeway routes converge in the City, Interstate highways 80 and 5 and U.S. highways 50 and 99, as do many state highways, thereby providing fast passenger and freight connections to all points in the nation. The Southern Pacific and Western Pacific railroads, both transcontinental lines, have a junction in Sacramento and are connected to the Atchison, Topeka and Santa Fe by facilities via Central California Traction Company. Transfers can also be made to the Sacramento Northern Railroad.

Trucking services are offered through facilities of sixteen interstate common carriers operating terminals in the area and by over 100 local carriers of general commodities. Greyhound Bus Lines and Continental Trailways Bus Company also provide passenger and package service through stations located in Sacramento.

The new Sacramento Metropolitan Airport, which was commissioned in 1967 is located approximately 11 miles north of the Project and with the proximity of excellent freeways, it is possible to travel by automobile between these two points in less than 15 minutes. United Air Lines, Western Airlines, Pacific Southwest Airlines and Air West are the major airlines which serve the airport. These along with several commuter airlines offer numerous scheduled flights daily to all principal cities in the West Coast as well as direct flights to other major U.S. cities including New York and Chicago. During 1970 more than 1,300,000 revenue passengers were recorded at the Metropolitan Airport representing an increase of nearly 13% over that of 1969 and 34% since 1967. Freight in most categories also showed steady increases as shown in the traffic statistics below.

AIRPORT TRAFFIC STATISTICS
SACRAMENTO METROPOLITAN AIRPORT

Totals	1967	1968	1969	1970
Revenue Passengers	993,448	1,109,402	1,179,763	1,330,311
Air Mail Pounds	5,120,242	5,350,524	5,312,371	5,172,705
Air Express Pounds	765,075	779,378	803,968	823,227
Air Freight Pounds	5,226,783	5,917,430	6,393,683	6,859,170
1st Class Mail Pounds	2,659,747	3,718,674	4,298,493	4,936,359

1970 Totals By Month					
	Revenue Passengers	Air Mail	Air* Express	Air* Freight	1st* Class
January	97,861	396,097	61,504	436,379	345,513
February	86,453	392,785	56,440	413,838	377,677
March	111,188	400,354	66,164	485,710	394,521
April	100,219	386,331	81,080	616,642	505,973
May	114,958	471,828	86,806	770,762	405,508
June	127,485	464,052	77,243	649,458	384,358
Midyear totals	638,164	2,511,447	429,237	3,372,789	2,413,550
July	125,932	511,467	57,430	600,303	407,275
August	132,155	448,744	67,526	639,822	414,661
September	108,174	452,090	62,669	614,578	389,786
October	103,115	458,317	61,228	595,710	413,713
November	104,297	341,510	62,812	487,478	397,908
December	118,474	449,130	82,325	548,490	499,466
TOTAL	1,330,311	5,172,705	823,227	6,859,170	4,936,359

*Indicating pounds.

ECONOMICS

General

Sacramento is the focal point of a large agricultural producing area in northern California. Nearly all of the packing, processing, canning and shipping of products from the nine counties, Sutter, Yolo, Yuba, Colusa, Glenn, Butte, Sacramento, Tehama, and Placer, is accomplished in Metropolitan Sacramento.

Continuing growth has played a large part in the economic development of these nine counties and population increased from 29,400 in 1960 to 1,048,700 in 1970. The growth trend is expected to continue and contribute to further development of the Sacramento economy. Indicative of this trend are the various indices shown in Table 3 for the City and Sacramento County.

**TABLE 3
 GROWTH INDICES
 CITY OF SACRAMENTO AND SACRAMENTO COUNTY**

Year	City of Sacramento				
	Estimated Population	Water Connections	Total Value	Building Permits Number of New Single Dwelling Units	Electric Customers Sacramento Municipal Utility District
1961	194,000	53,198	\$48,416,525	934	166,938
1962	205,000	54,350	51,605,200	712	172,876
1963	223,000	54,840	50,092,200	740	180,021
1964	229,000	60,470	52,083,600	968	187,548
1965	263,000	71,531	48,431,800	1,122	193,363
1966	266,000	72,835	51,402,400	952	199,058
1967	268,000	73,673	54,438,100	957	203,632
1968	270,000	74,664	41,638,500	821	208,233
1969		75,133	67,625,150	806	213,384
1970	257,900	76,159	67,855,400	1,297	220,544

Year	Sacramento County				
	Telephone Stations	Number of Gas Meters	New Home Construction (Total Single Family Units)	Bank Debits (000 Omitted)	Assessed Valuation (000 Omitted)
1961	267,340	157,599	4,580	\$15,240,396	\$ 834,889
1962	287,302	162,593	5,939	17,898,792	915,038
1963	300,100	169,770	9,498	18,113,568	971,121
1964	324,917	176,442	4,670	21,192,689	1,050,088
1965	339,355	181,471	3,140	24,722,637	1,114,568
1966	360,950	185,810	1,928	31,669,996	1,181,660
1967	373,340	188,975	2,407	38,888,610	1,180,919
1968	386,670	193,681	4,638	42,579,021	1,206,662
1969	397,754	197,812		47,717,806	1,141,363
1970	413,140	202,882		51,761,434	1,155,950

① For the six months ended June 30, 1968.
 ② For the year ended June 30, 1968.

Agriculture

Agriculture is Sacramento's economic keystone and the Metropolitan Area contains many food processing firms. Those employing fifty or more include: American Crystal Sugar Company, Beagle Products Company, Borden, Inc., California Almond Growers Exchange, Campbell Soup Company, Challenge Cream & Butter Association, Clauss & Kraus, Inc., Contadina Foods, Inc., Continental Baking Company, Crystal Cream & Butter Company, Del Monte Corporation, Farmers Rice Cooperative, Foremost Foods Company, Hires Bottling Company of Sacramento, Hunt-Wesson Foods, Inc., Libby, McNeill & Libby, Made-Rite Manufacturing Corporation, The Procter & Gamble Manufacturing Co., Rainbo Baking Company of Sacramento Valley, Rice Growers Assn. of California, Sacramento Coca-Cola Bottling Co., Inc., Sacramento Foods Division of Borden, Inc., Seven-Up Bottling Company of Sacramento and Spreckels Sugar Company.

Several factors contribute to the large number of food processing firms which have located in Sacramento. The nine counties mentioned earlier have an historical annual agricultural output exceeding \$400,000,000 in value and Sacramento County itself provides about 16% of this total. Table 4 provides a record of the value of agricultural production for the last five years in Sacramento by classification of crops and livestock and in totals for the eight other counties.

TABLE 4
VALUE OF AGRICULTURAL PRODUCTION
NINE-COUNTY AREA—1965 THROUGH 1969
(000 omitted)

	1965	1966	1967	1968	1969
Sacramento County—By Classification					
Field Crops	20,782	\$ 21,808	\$ 23,488	\$ 25,926	\$ 27,833
Seed Crops	1,316	1,862	2,201	2,153	2,780
Vegetable Crops	9,059	10,778	9,708	14,974	7,581
Fruit and Nut Crops	5,958	8,233	3,735	11,567	8,906
Nursery and Cut Flowers	1,599	1,928	1,930	2,214	2,291
Apiary Products	25	19	58	11	52
Livestock	15,043	17,581	15,850	14,133	14,741
Livestock Products	6,319	7,270	7,529	7,928	8,327
Poultry	2,056	2,412	2,376	2,347	2,413
Poultry Products	4,123	3,988	2,449	2,034	2,444
Sub-Total	\$ 66,280	\$ 75,879	\$ 69,324	\$ 83,287	\$ 77,368
Other Counties—Total Production					
Butte	\$ 53,184	\$ 57,534	\$ 54,899	\$ 64,958	\$ 65,677
Colusa	44,237	51,776	48,220	59,669	60,319
Glenn	39,552	43,832	41,750	47,141	48,686
Placer	18,115	22,295	20,829	22,592	23,510
Sutter	64,547	71,624	69,313	80,275	74,012
Tehama	21,232	21,143	20,480	24,983	25,814
Yolo	94,600	95,463	85,592	93,545	86,244
Yuba	19,941	22,941	24,215	25,216	26,172
Grand Total	\$421,688	\$462,487	\$434,622	\$418,379	\$410,434

Source: State of California.

Agricultural production and processing have been continually improved by the application of modern technological methods. This is demonstrated by the fact that although agriculture is the single largest economic factor in Sacramento, it ranks only fifth in terms of the number of people employed, even when the highest seasonal employment figures are used. The area's agricultural production is important on a national basis with one or more of the nine counties being a leading producer of one or more crops of which the State was the nation's highest producer in 1969 (the last year for which comparative statistics are currently available). These crops were almonds, apricots, honeydew and persian melons, olives, peaches, persimmons, plums, dried basis prunes, safflower, ladino clover seed, sugar beets, tomatoes for processing and walnuts.

Other Employment

Sacramento is the capital of California so it is not surprising that the number one employer, in terms of number of workers, is the general category of "Government". This grouping includes all levels of government, federal, state, county, city, school districts and other political subdivisions. Of the 110,800 government employees reported in Table 5 following, which reflects current total employment for the Metropolitan Area, approximately 4,100 are employed by the City, 8,700 by the County and 28,700 by the federal government. The balance, 69,300 are employed by the State government and other political subdivisions including school districts.

TABLE 5
WAGE AND SALARY WORKERS IN NONAGRICULTURAL ESTABLISHMENTS
ANNUAL AVERAGES—SACRAMENTO METROPOLITAN AREA

	1967	1968	1969	1970	1971
Government	99,600	102,800	105,200	110,000	110,800
Trade	49,600	51,500	52,400	52,600	53,800
Services	32,300	34,400	35,900	38,400	39,800
Manufacturing	27,300	25,400	24,200	21,600	20,400
Transportation, communications and utilities	18,000	18,000	18,000	16,700	17,300
Construction	11,100	10,800	10,600	11,200	11,300
Finance, insurance and real estate	9,600	9,900	10,000	10,600	10,300
Mineral extraction	200	200	200	100	100
Total	247,700	253,000	256,500	261,200	263,800

Wholesale and retail trade combined rank number two in total employment and show a steady rise over the past several years. This growth is reflective of the increasing population and the growth in retail sales as reported by Sales Management, Inc. As reflected below, retail sales increased by more than \$279,000,000 within the four-year period between 1965 and 1969. This represents an average increase of nearly \$70,000,000 each year although since 1967, the increase has expanded to an average of \$110,000,000 annually. Nationally the Sacramento Metropolitan Area ranked 39th in volume of retail sales in 1969.

TABLE 6
RETAIL SALES ESTIMATES
SACRAMENTO METROPOLITAN AREA
(000 omitted)

Category	1965	1966	1967	1968	1969
Food	\$ 283,563	\$ 293,253	\$ 290,223	\$ 315,150	\$ 342,529
Eating and Drinking Places	100,766	106,618	110,118	120,029	129,883
General Merchandise	175,765	188,741	194,184	214,244	215,075
Apparel	59,341	63,547	65,126	70,465	71,594
Furnishings, Household Appliances	74,766	79,186	81,124	88,628	78,825
Automotive	251,639	250,980	245,459	278,659	303,661
Gas Station	90,871	93,336	94,935	104,539	126,286
Lumber—Building—Hardware	57,377	56,832	57,412	64,842	57,191
Drug	60,891	64,449	67,715	74,451	75,614
Not identified or listed	66,429	72,282	72,529	76,687	99,845
Total	\$1,221,408	\$1,269,224	\$1,278,825	\$1,407,694	\$1,500,503

Source: *Sales Management*, further reproduction not licensed.

Since 1967, the number of persons employed in the "Services" category has increased 23%, by far the largest increase of all categories.

Despite recent problems in the aerospace industry, which dominates manufacturing in Sacramento, this category ranks fourth in total employment, having held this position for the past several years. Manufacturing firms located in Metropolitan Sacramento include Aerojet-General Corp., Alcan Cable Corporation, N. M. Alling Iron Works, Armco Steel Corporation, Boise Cascade Mobile Homes, Capital Machine Corporation, Commodore Mobile Homes Inc. of California, Continental Chemical Company, Del Monte Corporation, Delta Prestress Concrete, Inc., Dorris Lumber and Moulding Company, Envirotech Corp., Fleetwood Homes of Northern California, Inc., Flomatics Division of Crane Company, Florin Box & Lumber Company, Fontaine & Bean, Inc., The Formica Corporation, G-Z Products, Inc., Gilmore Steel Corp., Interpace Corporation, Johnson Farm Machinery Co., Inc., Kellison, Inc., Kramer Carton Company, Lausmann Lumber & Moulding Company, Libby McNeill & Libby Can Manufacturing, Lifetime Lumber Products, Martin Sprocket & Gear, Inc., McDonnell Douglas Astronautics Corp., Metalloy Steel Foundry, Miley Trailer Company, Mobil Chemical Company, L. R. Murphy Scale Company, Nikkel Moulding Company, P.M.I. Corporation, Pacific Metal Awning Co., Inc., Palm Iron & Bridge Works, Pittsburgh-Des Moines Steel Co., Rocklin Millwork, Ro-Mark Manufacturing Company, Sacramento Valley Moulding Company, Setzer Forest Products, Sparta Electronic Corp., State Box Company, Union Carbide Corp., Venus Esterbrook, Pencil Products Company, Vita Freeze Equipment, Western Corrugated, Inc. and Yancey Company. All of these firms have more than fifty employees.

Construction, finance, insurance and real estate, and transportation, communications and utilities round out the other major sectors of employment in the Sacramento Metropolitan Area. Construction employment has shown a recent upturn since 1968 which points toward increased building activity during the recent years while the other categories reflect fairly stable levels in the City and in the County.

Economic Characteristics of the Population

The dominance of Sacramento as the processing and shipping center for agricultural products, as well as the leading area of employment in other activities is demonstrated by the fact that more than 60% of the personal income accounted for in the nine-county agricultural complex served by Sacramento is generated in Sacramento County. Shown below in Table 7 is personal income in each of these nine counties as reported in the *California Statistical Abstract* for the two most recent years for which data was included.

TABLE 7
PERSONAL INCOME DATA, NINE-COUNTY AREA

County	1964	1969
Butte	\$ 243,400,000	\$ 302,700,000
Colusa	46,200,000	63,200,000
Glenn	52,900,000	66,700,000
Placer	175,900,000	239,900,000
Sacramento	1,710,400,000	2,379,400,000
Sutter	109,000,000	132,000,000
Tehama	69,300,000	97,100,000
Yolo	232,500,000	329,100,000
Yuba	119,800,000	176,800,000
Total	\$2,759,400,000	\$3,792,900,000

According to Sales Management, Inc. household income in Sacramento County compares favorably with the Sacramento Metropolitan Area, the State and the United States. This comparison is shown in Table 8 following.

TABLE 8
SALES MANAGEMENT ESTIMATES
CASH INCOME BY HOUSEHOLD—1969

Income Range	Percentage of Households			
	Sacramento County	Sacramento Metropolitan Area	State of California	United States
\$ 0-2,999	13.8%	14.3%	16.6%	17.9%
3,000-4,999	10.1	10.7	11.1	12.4
5,000-7,999	23.4	24.3	21.9	23.2
8,000-9,999	17.5	17.4	15.6	15.2
10,000 and over.....	35.2	33.3	34.8	31.3

Source: *Sales Management*, further reproduction not licensed.