

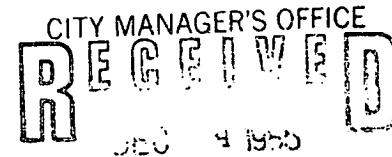
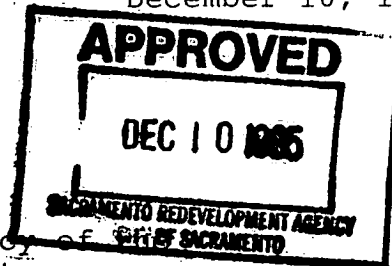


**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Comm Rpt
37

December 10, 1985



Redevelopment Agency of
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Formal Acceptance of Bids Received on Tax Allocation
Bond Issue (Neighborhood Redevelopment Project Areas)

SUMMARY

The Redevelopment Agency of the City of Sacramento (RACS) and the City Council are requested to approve final actions on the sale of approximately \$10.7 million in tax allocation bonds to finance 24 starter projects in three neighborhood redevelopment areas; Del Paso Heights, Alkali Flat and Oak Park. (See Attachment A for comprehensive list of projects.)

BACKGROUND

State law authorizes local governments to establish redevelopment agencies for the purposes of promoting economic development in blighted neighborhoods and other community areas. These areas are designated as redevelopment project areas and are thus made eligible for economic revitalization through the use of tax increment revenues collected out of property taxes paid annually by property owners in the project area. Currently, there are four project areas in downtown Sacramento (Project Areas 2A, 3, 4 and 8) and three neighborhood project areas; Del Paso Heights (Project Area No. 5), Alkali Flat (Project Area No. 6) and Oak Park (Project Area No. 7.)

According to the most recent estimates prepared by Katz, Hollis, Coren and Associates (Financial Consultants retained by the Agency), the three neighborhood project areas are currently generating approximately \$1.6 million in annual tax allocation revenues (see Attachment B for excerpt from Katz Hollis report).

12-10-85
All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
December 10, 1985
Page Two

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This level of tax allocation revenues is expected to increase in future years due to increased development activity and inflationary adjustments.

Since March 1984, the RACS has taken several actions to expedite the issuance of tax allocation bonds to finance these neighborhood redevelopment activities. These actions include:

March 1984 - May 1985 RACS approves the list of proposed projects in the three neighborhood redevelopment areas (See Attachment A)

November 19, 1985 RACS adopts initial bond-issuance resolution authorizing staff to proceed with sale of up to \$12 million in tax allocation bonds; approves form and release of Official Statement; authorizes the publication of a Notice of Sale and appoints a Pricing Committee to review the bids received on the bonds issued.

December 10, 1985 (Tax allocation bonds issued and bids received and accepted)

The Pricing Committee (consisting of one representative each from the Sacramento Housing and Redevelopment Agency, City Treasurer's Office and County Executive's Office) will review the bids received on December 10, 1985 and issue its recommendations for action by RACS. This information will be presented to RACS by Agency staff at the December 10, 1985 City Council meeting (See Attachment C).

FINANCIAL IMPLICATIONS

Neighborhood tax-increment revenues available for debt service are estimated at \$1.36 million. Based on an analysis prepared by PaineWebber (which includes assumptions on applicable interest rates, interest earnings and reserves), this amount will yield approximately \$10.7 million in bond proceeds to fund the neighborhood starter projects previously approved by the Redevelopment Agency.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
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December 10, 1985
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POLICY IMPLICATIONS

Adoption of this staff recommendation to authorize acceptance of the bids on the tax-allocation bonds issued on December 10, 1985 by RACS, is consistent with previous action taken on November 19, 1985 by RACS and the City Council (Resolution Nos. CC 85-889, CC 85-890, CC 85-891, RA 85-095, RA 85-096, RA 85-097, RA 85-098, RA 85-099 and RA 85-100).

ENVIRONMENTAL IMPLICATIONS

An environmental determination was issued by the County of Sacramento, Environmental Impact Unit on May 21, 1985 (for the Del Paso Heights Project), on July 17, 1984 (for the Alkali Flat Project) and on March 27, 1985 (for the Oak Park Project). These determinations were filed with the County Clerk of the County of Sacramento, finding that the sale of tax allocation bonds for to finance projects and activities benefiting Redevelopment Projects 5, 6 and 7 is exempt from the California Environmental Quality Act under General Rule, Section 15061(b)(3). Following the sale of the bonds, further environmental analysis may be conducted, as necessary, on a project-by-project basis as the bond financed projects move into the construction/implementation phase.

VOTE AND RECOMMENDATION OF PROJECT AREA COMMITTEES

On October 9, 1985 and November 6, 1985, the Alkali Flat and Oak Park Project Area Committees, respectively, approved the tax allocation bonding of the tax-increment flows for the activities indicated in the Implementation Strategies. The Del Paso Heights Project Area Committee, which is no longer in existence, did not vote on this matter; however, the new Del Paso Heights Redevelopment Advisory Committee will be notified of this action at their first meeting in December 1985.

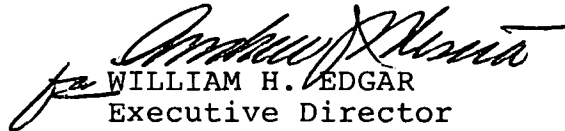
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY 37

Redevelopment Agency of the
City of Sacramento
December 10, 1985
Page Four

RECOMMENDATION


The staff recommends adoption of the Pricing Committee recommendations regarding the acceptance of bids on the tax allocation bonds issued.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

Contact Person: Andrew J. Plescia
440-1333

TRANSMITTAL TO COUNCIL


WALTER J. SLIFE
City Manager

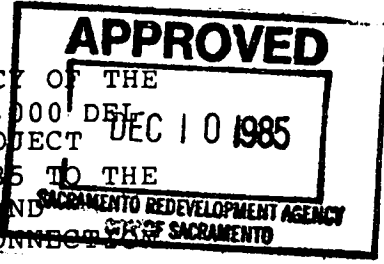
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12/03/85
3 Nbrhd Bonds

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RESOLUTION NO. 85-107

December 10, 1985

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDING THE \$2,630,000 DEL PASO HEIGHTS REDEVELOPMENT PROJECT, PROJECT NO. 5, TAX ALLOCATION BONDS, SERIES 1985 TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS



WHEREAS, at the time and place fixed for the opening of bids for the tax allocation bonds of the Redevelopment Agency of the City of Sacramento in a principal amount of \$2,630,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO DEL PASO HEIGHTS REDEVELOPMENT PROJECT, PROJECT NO. 5 TAX ALLOCATION BONDS, SERIES 1985" (the "Bonds"), all bids were publicly opened, examined and read, and a tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the Bonds;

NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the bid of _____ offering \$ _____ for said Bonds, bearing interest from November 1, 1985 through the date of maturity at the rate or rates per annum set forth in the bid attached hereto, and as provided in the Resolution authorizing the issuance of the Bonds, is the best bid for the Bonds yielding the lowest net interest cost to the Agency. Said bid is hereby accepted and the Bonds awarded to said best bidder in accordance with the terms of the proposal and any irregularities with respect to said bid are hereby waived.

Section 2. That all bids other than the one accepted in Section 1 hereof are rejected, and the Executive Director is directed to return the checks accompanying said rejected bids to the respective bidders which have not been previously returned.

Section 3. That the principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. That the Executive Director of the Agency is hereby directed to deliver the Bonds to the successful bidder upon payment of the purchase price set forth in the bid therefor.



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Section 5. First Interstate Bank of California is hereby appointed Fiscal Agent for the Agency in connection with the issuance of the Bonds. The Fiscal Agent Agreement between First Interstate Bank of California and the Agency, substantially in the form this night presented to the Agency, is hereby approved.

Section 7. The Chairman, the Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certificates or other documents in connection with the issuance, sale and delivery of the Bonds, with such changes, additions, modifications or deletions as requested by Bond Counsel.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 1985 by the following vote:

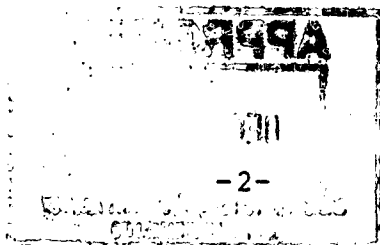
- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Chairman, Redevelopment Agency of
the City of Sacramento

ATTEST:

Secretary, Redevelopment
Agency of the City of Sacramento

11-19-85
8752p/2445/07



A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDING THE \$2,585,000 ALKALI FLAT REDEVELOPMENT PROJECT, PROJECT NO. 6, TAX ALLOCATION BONDS, SERIES 1985 TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS

WHEREAS, at the time and place fixed for the opening of bids for the tax allocation bonds of the Redevelopment Agency of the City of Sacramento in a principal amount of \$2,585,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ALKALI FLAT REDEVELOPMENT PROJECT, PROJECT NO. 6 TAX ALLOCATION BONDS, SERIES 1985" (the "Bonds"), all bids were publicly opened, examined and read, and a tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the Bonds;

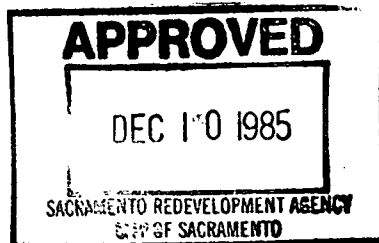
NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the bid of _____ offering \$ _____ for said Bonds, bearing interest from November 1, 1985 through the date of maturity at the rate or rates per annum set forth in the bid attached hereto, and as provided in the Resolution authorizing the issuance of the Bonds, is the best bid for the Bonds yielding the lowest net interest cost to the Agency. Said bid is hereby accepted and the Bonds awarded to said best bidder in accordance with the terms of the proposal and any irregularities with respect to said bid are hereby waived.

Section 2. That all bids other than the one accepted in Section 1 hereof are rejected, and the Executive Director is directed to return the checks accompanying said rejected bids to the respective bidders which have not been previously returned.

Section 3. That the principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. That the Executive Director of the Agency is hereby directed to deliver the Bonds to the successful bidder upon payment of the purchase price set forth in the bid therefor.



37

Section 5. First Interstate Bank of California is hereby appointed Fiscal Agent for the Agency in connection with the issuance of the Bonds. The Fiscal Agent Agreement between First Interstate Bank of California and the Agency, substantially in the form this night presented to the Agency, is hereby approved.

Section 7. The Chairman, the Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certificates or other documents in connection with the issuance, sale and delivery of the Bonds, with such changes, additions, modifications or deletions as requested by Bond Counsel.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 1985 by the following vote:

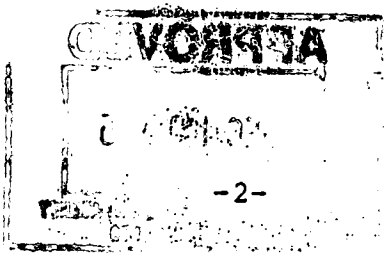
- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Chairman, Redevelopment Agency of
the City of Sacramento

ATTEST:

Secretary, Redevelopment
Agency of the City of Sacramento

11-19-85
8754p/2445/07



A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDING THE \$5,450,000 OAK PARK REDEVELOPMENT PROJECT, PROJECT NO. 7, TAX ALLOCATION BONDS, SERIES 1985 TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS

WHEREAS, at the time and place fixed for the opening of bids for the tax allocation bonds of the Redevelopment Agency of the City of Sacramento in a principal amount of \$5,450,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO OAK PARK REDEVELOPMENT PROJECT, PROJECT NO. 7 TAX ALLOCATION BONDS, SERIES 1985" (the "Bonds"), all bids were publicly opened, examined and read, and a tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the Bonds;

NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the bid of _____ offering \$ _____ for said Bonds, bearing interest from November 1, 1985 through the date of maturity at the rate or rates per annum set forth in the bid attached hereto, and as provided in the Resolution authorizing the issuance of the Bonds, is the best bid for the Bonds yielding the lowest net interest cost to the Agency. Said bid is hereby accepted and the Bonds awarded to said best bidder in accordance with the terms of the proposal and any irregularities with respect to said bid are hereby waived.

Section 2. That all bids other than the one accepted in Section 1 hereof are rejected, and the Executive Director is directed to return the checks accompanying said rejected bids to the respective bidders which have not been previously returned.

Section 3. That the principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. That the Executive Director of the Agency is hereby directed to deliver the Bonds to the successful bidder upon payment of the purchase price set forth in the bid therefor.



37

Section 5. First Interstate Bank of California is hereby appointed Fiscal Agent for the Agency in connection with the issuance of the Bonds. The Fiscal Agent Agreement between First Interstate Bank of California and the Agency, substantially in the form this night presented to the Agency, is hereby approved.

Section 7. The Chairman, the Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certificates or other documents in connection with the issuance, sale and delivery of the Bonds, with such changes, additions, modifications or deletions as requested by Bond Counsel.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 1985 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

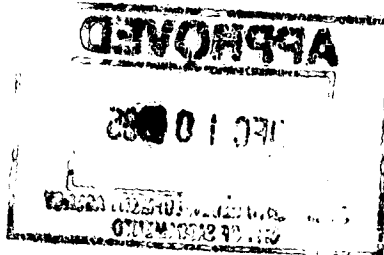
Chairman, Redevelopment Agency of
the City of Sacramento

ATTEST:

Secretary, Redevelopment
Agency of the City of Sacramento

8753p/2445/07

-2-



37

DEL PASO HEIGHTS PROJECT AREA NUMBER 5

<u>ACTIVITY</u>	<u>APPROXIMATE THREE YEAR FUNDING</u>
1. Design Review.....	\$ 20,000
<p>The Design review program is administered by the City Planning Department for all development projects, rehabilitation work in excess of \$10,000 and house moves. This service ensures quality development that is compatible with existing neighborhoods.</p>	
2. Paint and Beautification.....	174,048
<p>The Paint and Beautification Program provides paint rebates to homeowners who participate in the Agency's housing rehabilitation program by painting the exteriors of their homes.</p>	
3. Norwood Avenue Street Improvements.....	688,096
<p>The Norwood Avenue Street Improvement Program will provide sidewalks, curbs, gutters and street lighting for that portion of Norwood Avenue between Interstate 80 and Arcade Creek.</p>	
4. Commercial Acquisition/Developer Assistance.....	268,062
<p>The Commercial Acquisition/Developer Assistance Program provides developer incentives to attract economic development and acquisition of nuisance commercial structures. Three parcels located at the northwest corner of Grand Avenue and Altos Avenue have been specifically identified for early acquisition.</p>	
5. Street Improvement District 8.....	250,000
<p>The Street Improvement Program for District 8 will permit design plans and specifications to be drawn up for sidewalks, curbs, gutters, drainage and street lights for the area bounded by Cypress Street, Silvano Street, Arcade Creek, Rio Linda Blvd., and the area bounded by the bike trail, Evans Street, Rio Linda Blvd., and Almora Avenue.</p>	
6. Street Improvement District 6B.....	655,031
<p>The Street Improvement Program for District 6B will provide construction of sidewalks, curbs, gutters and street lighting for the area bounded by Arcade Creek, Belden Street, Silvano Street, and Branch Street.</p>	

7. Housing Development/Rio Linda Blvd.....285,000

The Housing Development Program on Rio Linda Blvd. will provide developer incentives to market vacant parcels for housing development.

8. Senior Housing Development.....221,093

The Senior Housing Development Program will provide developer incentives to encourage the construction of housing for senior citizens in Del Paso Heights.

9. Street Improvements District 10.....250,000

The Street Improvement Program for District 10 will permit design plans and specifications to be drawn up for sidewalks, curbs, gutters, drainage, and street lights for the area bounded by Fell Street, Highway 80, Balsam Street, Rene Avenue, and North Avenue.

APPROXIMATE TOTAL THREE YEAR BOND FUNDS.....\$2,811,330

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ALKALI FLAT PROJECT AREA NUMBER 6

<u>ACTIVITY</u>	<u>APPROXIMATE THREE YEAR FUNDING</u>
1. Residential Construction Loan Pool.....	\$1,151,178
<p>The residential construction loan pool provides revolving loan funds in order to assist the development of up to seven (7) multi-family housing sites throughout the project area.</p>	
2. Sidewalk Reconstruction.....	314,127
<p>The Sidewalk Reconstruction program provides supplemental funds for replacement of deteriorated and cracked sidewalks and also provides handicapped access throughout Alkali Flat.</p>	
3. Developer Assistance/Historic Infill Program.....	250,528
<p>The Developer Assistance aspect of the Historic Infill Program establishes a revolving loan fund for assistance to developers for relocation of an historic home.</p>	
4. Special Rehabilitation.....	348,935
<p>The Special Rehabilitation Program provides funds for assistance to developers interested in the rehabilitation of rooming houses in Alkali Flat.</p>	
5. 12th Street Commercial Development.....	1,029,267
<p>The 12th Street Commercial Development Program will permit acquisition and demolition of two deteriorated motels located on 12th Street. The cleared sites will subsequently be marketed for commercial development.</p>	
6. Parking Study.....	7,000
<p>The Parking Study funds will permit the retention of a consultant to evaluate present and future demands along with potential funding sources for parking along 12th Street.</p>	
<p style="text-align: right;"><u>APPROXIMATE TOTAL THREE YEAR BOND FUNDS.....\$3,101,035</u></p>	

OAK PARK PROJECT AREA NUMBER 7

<u>ACTIVITY</u>	<u>APPROXIMATE THREE YEAR FUNDING</u>
1. Developer Assistance.....	\$ 2,028,583
<p>The Developer Assistance Program provides financial assistance in assembling parcels, land writedowns, leveraging loans and construction of on-site and off-site improvements in order to encourage private development in Oak Park.</p>	
2. Broadway Revitalization.....	533,306
<p>The Broadway Revitalization Program provides commercial loans and facade rebates to new and existing businesses located on Oak Park commercial strip. The goal of the program is to stimulate private investment, increase the tax base, support public investment in public improvements, and increase employment opportunities in the area.</p>	
3. Paint and Beautification.....	163,861
<p>The Paint and Beautification Program provides paint rebates to homeowners who participate in the Agency's housing rehabilitation programs by painting the exterior of their homes.</p>	
4. Design Review.....	20,000
<p>The Design Review program is administered by the City Planning Department for all Agency development projects, rehabilitation work in excess of \$10,000 and house moves. This services ensures quality development that is compatible with existing neighborhoods.</p>	
5. Housing Development.....	1,005,514
<p>The Housing Development Program will provide funds for land acquisition and site improvements for the West Park, East Park, and Donner School Residential Sites, thereby expanding the affordable housing stock for low and moderate income households.</p>	
6. Residential Public Improvements.....	1,020,101
<p>The Residential Public Improvement Program provides funds to repair curbs, gutters and sidewalks, and assists in the planting of trees in residential rehab target areas.</p>	

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OAK PARK PROJECT AREA NO. 7
Page 2
(Continued)

7. Commercial Public Improvements.....640,861

The Commercial Public Improvement Program provides for street patching, landscaping, lighting, sidewalks, bus shelters, trash containers, irrigation and gutters for the Oak Park Commercial Strip (Broadway, Stockton and Sacramento Boulevards and 35th Street.)

APPROXIMATE TOTAL THREE YEAR BOND FUNDS....\$5,412,226

Table 3
 Sacramento Redevelopment Agency
 Oak Park Redevelopment Project

ANALYSIS OF INCREMENTAL TAX REVENUE
 (000's Omitted)

Fiscal Year	Real (1) Property	New Development	Total Real Property	Other Property	Total Value	Value Over Base Of \$65,070	Tax Increment	Supplemental(4) Revenue/Special Subvention	Total Revenue
1985-86	N/A	N/A	122,409	11,845	134,254	69,183	748	8	756
1986-87	124,857	3,134	127,991	11,845	139,836	74,765	797	8	805
1987-88	130,551	393	130,944	11,845	142,789	77,718	816	8	824
1988-89	133,563	0	133,563	11,845	145,408	80,337	831	8	839
1989-90	136,234	0	136,234	11,845	148,079	83,008	845	8	853
1990-91	138,959	0	138,959	11,845	150,804	85,733	859	8	867
1991-92	141,738	0	141,738	11,845	153,583	88,512	885	8	893
1992-93	144,573	0	144,573	11,845	156,418	91,347	913	8	921
1993-94	147,464	0	147,464	11,845	159,309	94,239	942	8	950
1994-95	150,414	0	150,414	11,845	162,258	97,188	972	8	980

- (1) Prior Year Real Property increased by 2 percent per year as allowed by Article XIII A of the California Constitution.
- (2) See Table 4, Schedule of New Development.
- (3) Includes the value of secured and unsecured personal property and State assessed property. The value for Other Property has been held at its 1985-86 level throughout the projection.
- (4) Supplemental Revenue/Special Subvention reflects the actual Sacramento County 1983-84 Business Inventory Replacement Revenue allocation.

-B.1-

ATTACHMENT B

27

KatzHollis

Table 2
Sacramento Redevelopment Agency
Alkali Flat Redevelopment Project

ANALYSIS OF INCREMENTAL TAX REVENUE
(000's Omitted)

Fiscal Year	Real (1) Property	New Development	Total Real Property	Other Property	Total Value	Value Over Base Of \$14,060	Tax Increment	Supplemental (4) Revenue/Special Subvention	Total Revenue
1985-86	N/A	N/A	43,404	7,745	51,229	37,169	402	4	406
1986-87	44,354	1,878	46,232	7,745	53,977	39,916	425	4	429
1987-88	47,157	1,667	48,823	7,745	56,569	42,500	446	4	450
1988-89	49,000	0	49,000	7,745	57,545	43,404	449	4	453
1989-90	50,796	0	50,796	7,745	58,541	44,480	453	4	457
1990-91	51,812	0	51,812	7,745	59,557	45,496	456	4	460
1991-92	52,848	0	52,848	7,745	60,593	46,532	465	4	469
1992-93	53,905	0	53,905	7,745	61,650	47,589	476	4	480
1993-94	54,983	0	54,983	7,745	62,728	48,667	487	4	491
1994-95	56,033	0	56,033	7,745	63,828	49,767	498	4	502

- (1) Prior Year Real Property increased by 2 percent per year as allowed by Article XIII A of the California Constitution.
- (2) See Table 4, Schedule of New Development.
- (3) Includes the value of secured and unsecured personal property and State assessed property. The value for Other Property has been held at its 1985-86 level throughout the projection.
- (4) Supplemental Revenue/Special Subvention reflects the actual Sacramento County 1983-84 Business Inventory Replacement Revenue allocation.

Table 1
 Sacramento Redevelopment Agency
 Del Paso Heights Redevelopment Project

ANALYSIS OF INCREMENTAL TAX REVENUE-
 (000's Omitted)

Fiscal Year	Real (1) Property	New (2) Development	Total Real Property	Other (3) Property	Total Value	Value Over Base Of \$27,063	Tax Increment	Supplemental(4) Revenue/Special Subvention	Total Revenue
1985-86	N/A	N/A	58,759	7,633	66,392	39,329	447	4	451
1986-87	59,875	2,254	62,129	7,633	69,762	42,699	478	4	482
1987-88	63,371	572	63,943	7,633	71,576	44,513	490	4	494
1988-89	65,222	0	65,222	7,633	72,855	45,792	496	4	500
1989-90	66,526	0	66,526	7,633	74,159	47,097	502	4	506
1990-91	67,857	0	67,857	7,633	75,490	48,427	507	4	511
1991-92	69,214	0	69,214	7,633	76,847	49,784	512	4	516
1992-93	70,598	0	70,598	7,633	78,231	51,169	517	4	521
1993-94	72,010	0	72,010	7,633	79,643	52,581	526	4	530
1994-95	73,451	0	73,451	7,633	81,084	54,021	540	4	544

- (1) Prior Year Real Property increased by 2 percent per year as allowed by Article XIII A of the California Constitution.
- (2) See Table 4, Schedule of New Development.
- (3) Includes the value of secured and unsecured personal property and State assessed property. The value for Other Property has been held at its 1985-86 level throughout the projection.
- (4) Supplemental Revenue/Special Subvention reflects the actual Sacramento County 1983-84 Business Inventory Replacement Revenue allocation.

-B.3-

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**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Award of Project Areas 5, 6 and 7 Tax Allocation Bonds (TAB) to an Underwriting Syndication Led by

SUMMARY

Transmitted herewith is a copy of a report to Council dealing with the awarding of the Tax Allocation Bonds for Project Areas 5, 6 and 7.

RECOMMENDATION

That the Budget and Finance Committee forward the attached report to Council and recommend they accept the bid and award:

- Project Area 5 (Del Paso Heights) Tax Allocation Bonds to the Underwriting Group of _____ at net interest cost of _____ and _____
- Project Area 6 (Alkali Flat) Tax Allocation Bonds to the Underwriting Group of _____ at a net interest cost of _____ and _____
- Project Area 7 (Oak Park) Tax Allocation Bonds to the Underwriting Group of _____ at a net interest cost of _____

Respectfully submitted,

TAB Pricing Committee:

THOMAS P. FRIERY
City Treasurer

RECOMMENDATION APPROVED:

Solon Wisham, Jr. Assistant City Manager



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



37

December 10, 1985

Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Award of Project Areas 5, 6 and 7 Tax Allocation Bonds (TAB) to an Underwriting Syndication led by

SUMMARY

On December 10, 1985, competitive bids were received on the Project Area 5, 6 and 7 TAB issues. The lowest net interest cost bid of _____ was submitted by the underwriting group of _____

The Pricing Committee has preliminarily accepted the lowest net interest cost bids and recommends City Council final acceptance of the bids and award of the Project Areas 5, 6 and 7 TABS to the underwriting group of _____

BACKGROUND

On November 19, 1985 the City Council approved proceeding with the TAB sales and designated a pricing committee to preliminarily accept or reject the bids of underwriting groups on December 10, 1985, subject to City Council approval that evening.

On _____ Standard and Poors rated the TABs _____ and on _____ Moody's rated the TABs _____

The Pricing Committee met on December 10, 1985 and received the following competitive bids:

Project Area 5 Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Bid</u>	<u>Net Interest Cost</u>
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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Project Area 6 Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Bid</u>	<u>Net Interest Cost</u>
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Project Area 7 Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Bid</u>	<u>Net Interest Cost</u>
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The Pricing Committee determined the bid of Merrill Lynch for Project Areas 5, 6 and 7 at a net interest cost of _____ to be the lowest bids submitted. The Committee recommends City Council final acceptance of these bids and award of the TABS as stated herein.

FINANCIAL

The following set forth the lowest bids received and the financing costs and expenses associated with the TAB issues:

	Proj. Area <u>5</u>	Proj. Area <u>6</u>	Proj. Area <u>7</u>	<u>Total</u>
Par Value	\$	\$	\$	\$
Bid of				
Net Interest Cost*				

*See Attachment 1 for calculation.

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Financing Costs and Expenses

Underwriter's Discount
Insurance Premium
Financial Advisor's Fee
Financial Advisor's Expense
Rating Agency's Fee
Printing of OS
Bond Printing
Trustee fee (Setup)
Bond Counsel Fee
Fiscal Consultant Fee

Totals

% of Issue Size

All Financing Costs and Expense are reasonable when compared to other issues of TABs. Further, the fees and expenses where contracted are within the contract terms.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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RECOMMENDATION

It is recommended that the Sacramento City Council accept the bid and award:

- Project Area 5 Tax Allocation Bonds to the Underwriting Group of _____ at a net interest cost of _____ and _____
- Project Area 6 Tax Allocation Bonds to the Underwriting Group of _____ at a net interest cost of _____ and _____
- Project Area 7 Tax Allocation Bonds to the Underwriting Group of _____ at a net interest cost of _____

Respectfully submitted,

TAB Pricing Committee

THOMAS P. FRIERY
City Treasurer

County Executive's Office

TERRY WOLFORD
SHRA Finance Director

RECOMMENDATION APPROVED:

WALTER J. SLIPE, City Manager

December 10, 1985
All Districts

Attachment. (1)



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



December 10, 1985

Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Award of Project Areas 5, 6 and 7 Tax Allocation Bonds (TAB) to an Underwriting Syndicate led by Smith, Barney, Harris, Upham and Company, Inc. (Smith Barney)

SUMMARY

On December 10, 1985 three competitive bids were received on the Project Area 5, 6 and 7 TAB issues. The lowest net interest cost bids of 8.818451% for Project Area 5; 8.951720% for Project Area 6; and 8.979699% for Project Area 7 were submitted by the underwriting group of Smith, Barney, Harris, Upham and Company, Inc. (Smith Barney).

The Pricing Committee has preliminarily accepted the lowest net interest cost bids and recommends City Council final acceptance of the bids and award of the Project Areas 5, 6 and 7 TABS to the underwriting group of Smith Barney.

BACKGROUND

On November 19, 1985 the City Council approved proceeding with the TAB sales and designated a pricing committee to preliminarily accept or reject the bids of underwriting groups on December 10, 1985 subject to City Council approval that evening.

On December 9, 1985 Standard and Poors rated the TABS BBB+ (Project Area 5); BBB (Project Area 6) and BBB+ (Project Area 7) and on December 5, 1985 Moody's rated the TABS Baa for all three Project Areas.

The Pricing Committee met on December 10, 1985 and received the following competitive bids:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council

December 10, 1985

Page Two

Project Area 5 Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Net Interest Cost</u>
Smith Barney	None	8.818451%
Paine Webber	None	9.1186%
Dean Witter	None	9.122157%

Project Area 6 Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Net Interest Cost</u>
Smith Barney	None	8.951720%
Paine Webber	None	9.2836%
Dean Witter	None	9.213660%

Project Area 7 Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Net Interest Cost</u>
Smith Barney	None	8.979699%
Paine Webber	None	9.2637%
Dean Witter	None	9.231080%

The Pricing Committee determined the bids of Smith Barney for Project Areas 5, 6 and 7 to be the lowest bids submitted. The Committee recommends City Council final acceptance of these bids and award of the TABS as stated herein.

FINANCIAL

The following set forth the lowest bids received and the financing costs and expenses associated with the TAB issues:

	<u>Proj.</u> <u>Area</u> <u>5</u>	<u>Proj.</u> <u>Area</u> <u>6</u>	<u>Proj.</u> <u>Area</u> <u>7</u>	<u>Total</u>
Par Value	\$2,630,000	\$2,585,000	\$5,450,000	\$10,665,000
Net Interest Cost*	8.818451%	8.951720%	8.979699%	

*See Attachment 1 for calculation

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council

December 10, 1985

Page Three

	Project Area <u>5</u>	Project Area <u>6</u>	Project Area <u>7</u>
<u>Financing Costs and Expenses</u>			
Underwriter's Discount	\$ 52,600	\$ 51,700	\$109,000
Issuing Costs (Estimated)	<u>100,000</u>	<u>100,000</u>	<u>125,000</u>
Totals	<u>\$152,600</u>	<u>\$151,700</u>	<u>\$234,000</u>
% of Issue Size	<u>5.89%</u>	<u>5.9%</u>	<u>4.3%</u>

All Financing Costs and Expense are reasonable when compared to other issues of TABS. Further, the fees and expenses where contracted are within the contract terms.

RECOMMENDATION

It is recommended that the Sacramento City Council accept the bid and award:

- Project Area 5 Tax Allocation bonds to the Underwriting Group of Smith Barney at a net interest cost of 8.818451% and
- Project Area 6 Tax Allocation bonds to the Underwriting Group of Smith Barney at a net interest cost of 8.951720% and
- Project Area 7 Tax Allocation bonds to the Underwriting Group of Smith Barney at a net interest cost of 8.979699%.

Respectfully submitted,

TABS Pricing Committee

Donald E. Sperling
THOMAS P. FRIERY
City Treasurer

Richard L. Wolgamott
RICHARD WOLGAMOTT
County Executive's Office

Terry Wolford
TERRY WOLFORD
SHRA Finance Director

RECOMMENDATION APPROVED:

Walter J. Slupe
WALTER J. SLIPE, City Manager

Attachment (1)

December 10, 1985
All Districts

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDING THE \$2,630,000 DEL PASO HEIGHTS REDEVELOPMENT PROJECT, PROJECT NO. 5, TAX ALLOCATION BONDS, SERIES 1985 TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS

WHEREAS, at the time and place fixed for the opening of bids for the tax allocation bonds of the Redevelopment Agency of the City of Sacramento in a principal amount of \$2,630,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO DEL PASO HEIGHTS REDEVELOPMENT PROJECT, PROJECT NO. 5 TAX ALLOCATION BONDS, SERIES 1985" (the "Bonds"), all bids were publicly opened, examined and read, and a tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the bonds;

NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the bid of Smith, Barney, Harris, Upham and Company, Inc. offering \$2,194,912.50 for said Bonds, bearing interest from November 1, 1985 through the date of maturity at the rate or rates per annum set forth in the bid attached hereto, and as provided in the Resolution authorizing the issuance of the Bonds, is the best bid for the Bonds yielding the lowest net interest cost to the Agency. Said bid is hereby accepted and the Bonds awarded to said best bidder in accordance with the terms of the proposal and any irregularities with respect to said bid are hereby waived.

Section 2. That all bids other than the one accepted in Section 1 hereof are rejected, and the Executive Director is directed to return the checks accompanying said rejected bids to the respective bidders which have not been previously returned.

Section 3. That the principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. That the Executive Director of the Agency is hereby directed to deliver the Bonds to the successful bidder upon payment of the purchase price set forth in the bid thereof.

Section 5. First Interstate Bank of California is hereby appointed Fiscal Agent for the Agency in connection with the issuance of the Bonds. The Fiscal Agent Agreement between First Interstate Bank of California and the Agency, substantially in the form this night presented to the Agency, is hereby approved.

Section 7. The Chairman, the Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certificates or other documents in connection with the issuance, sale and delivery of the Bonds, with such changes, additions, modifications or deletions as requested by Bond Counsel.

ADOPTED, SIGNED AND APPROVED THIS 10th day of December, 1985 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman, Redevelopment Agency of the
City of Sacramento

ATTEST:

Secretary, Redevelopment
Agency of the City of Sacramento

Approved as to Form:

Agency Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDING THE \$2,585,000 ALKALI FLAT REDEVELOPMENT PROJECT, PROJECT NO. 6, TAX ALLOCATION BONDS, SERIES 1985 TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS

WHEREAS, at the time and place fixed for the opening of bids for the tax allocation bonds of the Redevelopment Agency of the City of Sacramento in a principal amount of \$2,585,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ALKALI FLAT REDEVELOPMENT PROJECT, PROJECT NO. 6 TAX ALLOCATION BONDS, SERIES 1985 (the "Bonds")", all bids were publicly opened, examined and read, and a tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the Bonds;

NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the bid of Smith, Barney, Harris, Upham and Company, Inc. offering \$2,462,730.00 for said Bonds, bearing interest from November 1, 1985 through the date of maturity at the rate or rates per annum set forth in the bid attached hereto, and as provided in the Resolution authorizing the issuance of the Bonds, is the best bid for the Bonds yielding the lowest net interest cost to the Agency. Said bid is hereby accepted and the bonds awarded to said best bidder in accordance with the terms of the proposal and any irregularities with respect to said bid are hereby waived.

Section 2. That all bids other than the one accepted in Section 1 hereof are rejected, and the Executive Director is directed to return the checks accompanying said rejected bids to the respective bidders which have not been previously returned.

Section 3. That the principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. That the Executive director of the Agency is hereby directed to deliver the bonds to the successful bidder upon payment of the purchase price set forth in the bid therefor.

Section 5. First Interstate Bank of California is hereby appointed Fiscal Agent for the Agency in connection with the issuance of the Bonds. The Fiscal Agent Agreement between First Interstate Bank of California and the Agency, substantially in the form this night presented to the Agency, is hereby approved.

Section 7. The Chairman, the Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certificates or other documents in connection with the issuance, sale and delivery of the Bonds, with such changes, additions, modifications or deletions as requested by Bond Counsel.

ADOPTED, SIGNED AND APPROVED this 10th day of December, 1985 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Chairman, Redevelopment Agency of
the City of Sacramento

ATTEST:

Secretary, Redevelopment
Agency of the City of Sacramento

Approved as to Form

Agency Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDING THE \$5,450,000 OAK PARK REDEVELOPMENT PROJECT, PROJECT NO. 7, TAX ALLOCATION BONDS, SERIES 1985 TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS

WHEREAS, at the time and place fixed for the opening of bids for the tax allocation bonds of the Redevelopment Agency of the City of Sacramento in a principal amount of \$5,450,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO OAK PARK REDEVELOPMENT PROJECT, PROJECT NO. 7 TAX ALLOCATION BONDS, SERIES 1985", (the "Bonds"), all bids were publicly opened, examined and read, and a tabulation thereof has been entered in the minutes; and

WHEREAS, the bid of the bidder hereinafter named is the best bid made by a responsible bidder for the bonds;

NOW, THEREFORE, the Redevelopment Agency of the City of Sacramento DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the bid of Smith, Barney, Harris, Upham and Company, Inc. offering \$5,697,170.00 for said Bonds, bearing interest from November 1, 1985 through the date of maturity at the rate or rates per annum set forth in the bid attached hereto, and as provided in the Resolution authorizing the issuance of the Bonds, is the best bid for the Bonds yielding the lowest net interest cost to the Agency. Said bid is hereby accepted and the Bonds awarded to said best bidder in accordance with the terms of the proposal and any irregularities with respect to said bid are hereby waived.

Section 2. That all bids other than the one accepted in Section 1 hereof are rejected, and the Executive Director is directed to return the checks accompanying said rejected bids to the respective bidders which have not been previously returned.

Section 3. That the principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. That the Executive Director of the Agency is hereby directed to deliver the Bonds to the successful bidder upon payment of the purchase price set forth in the bid thereof.

Section 5. First Interstate Bank of California is hereby appointed Fiscal Agent for the Agency in connection with the issuance of the Bonds. The Fiscal Agent Agreement between First Interstate Bank of California and the Agency, substantially in the form this night presented to the Agency, is hereby approved.

Section 7. The Chairman, the Executive Director and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certificates or other documents in connection with the issuance, sale and delivery of the Bonds, with such changes, additions, modifications or deletions as requested by Bond Counsel.

ADOPTED, SIGNED AND APPROVED this 10th day of December, 1985 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairman, Redevelopment Agency of
the City of Sacramento

ATTEST:

Secretary, Redevelopment
Agency of the City of Sacramento

Approved as to Form

Agency Attorney