

OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

CITY OF SACRAMENTO
CALIFORNIA

April 19, 2005
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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: RESOLUTIONS APPROVING ISSUANCE OF SPECIAL TAX BONDS, AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AND AMENDING THE CAPITAL BUDGET FOR THE REFUNDING OF THE CITY OF SACRAMENTO NORTH NATOMAS COMMUNITY FACILITIES DISTRICT 97-01 SPECIAL TAX BONDS, SERIES A, SERIES B AND SERIES C

LOCATION AND COUNCIL DISTRICT:

The proposed project encompasses the entirety of the approximately 6,000 acres in the North Natomas Community Plan area, located in Council District 1.

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolutions to:

- Approve the issuance of the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Series 2005 special tax bonds and authorize the execution and delivery of a Third Supplemental Indenture, Bond Purchase Agreement, Continuing Disclosure Certificate, Escrow Agreement, Official Statement and other related documents (documents are on file with City Clerk's Office); and
- Establish the North Natomas Comprehensive Drainage Project (PN: XXAD) and authorize the appropriation of \$3,385,000

CONTACT PERSON: Thomas P. Friery, City Treasurer, 808-5168

FOR COUNCIL MEETING OF: April 26, 2005

SUMMARY:

The North Natomas Comprehensive Drainage System improvements are required in order to mitigate the impacts of growth and remove North Natomas from the 100-year floodplain and permit continued development in the area. In 2003, several factors combined that precluded the City from issuing the bonds necessary to fund the Phase III improvements. As a preliminary first step, City Council approved an "Interim Financing" in which the City and certain North Natomas developers shared in the financial obligation through the purchase of subordinate special tax bonds. In total \$6,040,000 was issued under the Interim Financing: City Drainage Fund - \$1,540,000, Lennar Communities - \$2,300,000, Lewis Operating Corporation - \$1,700,000, and The Cambay Group - \$500,000. The pact required that as development occurred, other builders would share in the financial obligation by way of a Refundable Supplemental Drainage Fee and a Refundable Buy-in Fee. Under the current interest rate conditions, it is now possible to refund the outstanding series of bonds, thereby repaying the City and developers' financial investment in this district.

Approval of these actions authorizes the City Treasurer to issue North Natomas CFD 97-01 Series 2005 Bonds. The Series 2005 Bonds will be a new bond issue that will:

- Refund the Series A Bonds, which were originally issued in October 1997 in the principal amount of \$20,175,000 and are currently outstanding in the principal amount of \$18,345,000. The Series A Bonds are being refunded on a current basis and will be redeemed on September 1, 2005.
- Refund the Series B Bonds, which were originally issued in June 2000 in the principal amount of \$5,400,000 and are currently outstanding in the principal amount of \$5,375,000. The Series B Bonds are being refunded on an advance basis and will be redeemed on September 1, 2009.
- Refund the Series C Bonds, which were originally issued as subordinate bonds in the form of capital appreciation bonds in March 2003 in the original principal amount of \$6,040,000 and have an accreted value of \$6,877,714 as June 8, 2005. The Subordinated Series C Bonds are being refunded on a current basis and will be redeemed on June 8, 2005.
- Issue an additional \$3,385,000 to finance the acquisition and construction of certain drainage facilities in the District. This amount includes the \$1,500,000 Advance Funding provided by Reclamation District 1000 (RD1000) and the City Drainage Fund in 2004 to complete the improvements funded by the Subordinate Series C Bonds.

This action will also establish the revenue and expenditure budgets for the Series 2005 Bonds – Acquisition and Construction Fund. The special tax levy will pay debt service on the Series 2005 Bonds.

Upon successful closure of the Series 2005 Bonds (scheduled for June 8, 2005), staff will take the necessary action to repeal Ordinance 2003-006 that imposed the Refundable Supplemental North Natomas Drainage Fee and the Refundable North Natomas Buy-in Fee. Both these fees were imposed as part of the Subordinate Series C Bonds.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

North Natomas Comprehensive Drainage System

Description

The Comprehensive Drainage System is the backbone drainage infrastructure for North Natomas; improvements include levee enhancements, channel improvements, pump station construction and expansion, and associated land acquisition. The individual detention basins associated with each of the neighborhoods are designed to discharge into the Comprehensive Drainage System. Construction of this entire system mitigates the impact of additional runoff caused by new development, thereby removing the North Natomas Community Plan area from the 100-year floodplain.

Financing

The 1994 North Natomas Financing Plan identified bond financing to construct the Comprehensive Drainage System improvements. Community Facilities District 97-01 (CFD 97-01) was established in 1997 to serve as the bond financing structure. At the time the District was formed, the landowners authorized the issuance of not to exceed \$35,000,000 principal amount of bonds. At the time of formation, it was envisioned that three series of bonds would be sold to phase in the required improvements.

Prior Bond Issues

Series A

- The Series A bonds, in an amount of \$20,175,000, were sold in 1997 to construct the first phase of improvements.

Series B

- The Series B bonds, in an amount of \$5,400,000 were sold in 2000, one year earlier than anticipated. Additionally, at the time of the Series B bond issuance, the value-to-lien ratio was not sufficient to meet the 3:1 bond covenant requirement on undeveloped property in the district; an internal advance of \$3,355,000 was made to the Series B project in order to construct all of the then needed drainage improvements. The City loan will be fully reimbursed in November 2006.

Series C

- In 2003, three years earlier than originally projected, the Subordinate Series C bonds in the amount of \$6,040,000 were issued. Due to the advanced rate of residential construction in North Natomas, it was identified in 2002 that the third phase of the CFD 97-01 Comprehensive Drainage System improvements needed to be constructed earlier than originally projected to accommodate the faster build out. Failure to construct the needed improvements could result in a building moratorium in North Natomas. Due to the accelerated pace of development and various cash flow issues, sufficient special tax revenues were not sufficient to support the sale of bonds. In order to not disrupt the pace of development an "Interim Financing" solution was developed. The Subordinate Series C Bonds, structured as capital appreciation bonds, were issued and privately purchased by the City Drainage Fund (\$1,540,000) and three developers: Lennar Communities - \$2,300,000, Lewis Operating Corp. - \$1,700,000, and The Cambay Group - \$500,000. At the time of approval it was anticipated that the Subordinate Series C Bonds would be refunded in 2006/07 and all investors, including the City would be repaid.
- For additional security for repayment and to ensure an equitable distribution of the interim financing obligation to all parties building in North Natomas, City Council also approved a Refundable Supplemental North Natomas Drainage Fee and a Refundable Buy-in Fee. These fees would be applied to the remaining development within the District boundaries. Upon successful closure of the Series 2005 Bonds (scheduled for June 8, 2005), staff will take the necessary action to repeal Ordinance 2003-006 that put the fees in place as they will no longer be necessary.

Advance Funding

- In 2004, City Council approved a \$1,500,000 "Advance Funding" by the City and RD1000 to cover additional costs due to neighborhood concerns and cost overruns caused by construction delays and construction change orders. The Advance Funding was anticipated to be repaid upon the final bond sale from CFD 97-01, which was originally projected for 2006/07.

The debt service obligations for the three Series of bonds, as well as the internal loan repayment are all being serviced by special tax revenues generated through the District.

Current Need

An additional \$3.3 million in bond proceeds will be issued with the Series 2005 Bonds, thus utilizing the full \$35 million authorization. This funding will be used to reimburse the City and RD1000 for the \$1.5 million Advance Funding, as well as to dredge the channel and to construct and/or acquire freeway drainage improvements from certain landowners if funding is available.

FINANCIAL CONSIDERATIONS:

Financing Structure

Under the proposed financing structure, the City will issue the debt under the authority of the CFD 97-01 Special Tax District. The Series 2005 will refund the Series A, Series B, Series C Bonds, as well as an estimated \$3.3 million in new money, which will fully utilize the \$35 million authorization for the District. While in previous reports it had been projected that the refunding would not occur until 2006/07, interest rates are such that it has become feasible to refund the bonds at this time.

Refunding Uses and Project Costs

The proposed sources and uses of the funds are shown in the table below.

Table 1 – CFD 99-04, Series B, Sources and Uses

Sources

CFD 97-01 Series 2005, Bond Proceeds	\$35,635,000
Other Sources of Funds ¹	<u>\$ 3,250,480</u>
	\$38,885,480

Uses

Project Fund ²	\$ 2,830,920
Refunding Escrow Deposits ³	\$32,398,330
Reserve Fund Requirement	\$ 2,930,825
Bond Costs ⁴	<u>\$ 725,404</u>
	\$38,885,480

(1) Other Sources of Funds: Includes existing Reserve and Debt Service Funds

(2) Project Fund: Represents estimated new money component for Advance Funding Reimbursement, dredging, and freeway drainage.

(3) Refunding Escrow Deposits: Net funding of escrow accounts to pay off bonds when callable with premium

(4) Bond Costs: includes Underwriter's Discount, Cost of Issuance, and Contingency

The special tax levy will pay debt service on the Series 2005 Bonds and continue repayment on the City's loan (which will be fully amortized in November 2006). The required debt service coverage on the Series 2005 Bonds is 110%; coverage is estimated at 113% to 235% over the life of the Series 2005 Bonds. Council is also being asked to establish the revenue and expenditure budgets.

ENVIRONMENTAL CONSIDERATIONS:

The City Council's action in adopting the resolution is solely for the purpose of selling bonds, therefore, not a project for purposes of the California Environmental Quality Act.

City Council
North Natomas CFD 97-01, Series 2005
April 26, 2005

This project is an element of the Comprehensive Drainage Project. The North Natomas Comprehensive Drainage Plan Environmental Impact Report (EIR) was approved by City Council on May 20, 1997.

POLICY CONSIDERATIONS:

The bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Sections 53311 *et seq.* of the California Government Code, the approving vote of the eligible landowner voters of the District and the Indenture.

ESBD CONSIDERATIONS:

None at this time, as no goods or services are being procured with this action.

Respectfully Submitted,


Janelle Gray
Senior Debt Analyst

RECOMMENDATION APPROVED:

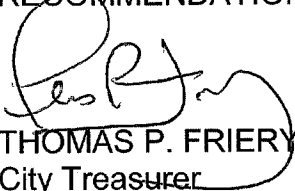

THOMAS P. FRIERY
City Treasurer

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RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____ April 26, 2005 _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING THE ISSUANCE OF THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01 SPECIAL TAX BONDS, SERIES 2005, AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE PROVIDING FOR THE ISSUANCE OF SUCH BONDS AND A BOND PURCHASE CONTRACT PROVIDING FOR THE SALE OF SUCH BONDS AND A CONTINUING DISCLOSURE CERTIFICATE FOR SUCH BONDS, APPROVING AN OFFICIAL STATEMENT FOR SUCH BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT FOR THE REFUNDING OF THE CITY OF SACRAMENTO NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-01 SPECIAL TAX BONDS, SERIES A, SERIES B AND SERIES C

WHEREAS, the City Council (the "City Council") of the City of Sacramento (the "City") on August 26, 1997, adopted its Resolution No. 97-491 approving an Indenture dated as of September 1, 1997 (the "Indenture") by and between the City and U.S. Bank National Association (as successor to U.S. Bank Trust National Association, and formerly known as First Trust of California, National Association), as Trustee (the "Trustee"), authorizing the issuance of bonds under the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Law"), in the aggregate principal amount of thirty-five million dollars (\$35,000,000) in the form and manner provided therein and any refunding bonds to refund any thereof, to be designated the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds" (the "Bonds"); and

WHEREAS, pursuant to the Indenture and the Law, the City Council provided for the issuance, sale and delivery of its City of Sacramento North Natomas

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DATE ADOPTED: _____

Drainage Community Facilities District No. 97-01 Special Tax Bonds, Series A (the "Series A Bonds") in the aggregate principal amount of twenty million one hundred seventy-five thousand dollars (\$20,175,000) to finance the costs of acquisition and construction of certain of the Facilities (as that term is defined in the Indenture, and herein the "Facilities") in and for the City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 (the "Community Facilities District") and to pay for the costs of issuance of the Series A Bonds; and

WHEREAS, pursuant to the Indenture and the Law and a First Supplemental Indenture dated as of May 1, 2000, by and between the City and the Trustee, the City Council provided for the issuance, sale and delivery of an additional series of the Bonds payable on a parity with the Series A Bonds designated the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds, Series B" (the "Series B Bonds") in the aggregate principal amount of five million four hundred thousand dollars (\$5,400,000) to finance the costs of acquisition and construction of certain additional Facilities and to pay for the costs of issuance of the Series B Bonds; and

WHEREAS, pursuant to the Indenture and the Law and a Second Supplemental Indenture dated as of March 1, 2003, by and between the City and the Trustee, the City Council provided for the issuance, sale and delivery of an additional series of the Bonds subordinate to both the Series A Bonds and the Series B Bonds designated the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Subordinated Special Tax Bonds, Series C" (the "Series C Bonds") in the aggregate principal amount of six million forty thousand dollars (\$6,040,000) to finance the costs of acquisition and construction of certain additional Facilities and to pay for the costs of issuance of the Series C Bonds; and

WHEREAS, the City has determined to provide for the issuance of a series of the Bonds in the aggregate principal amount of not to exceed forty million dollars (\$40,000,000) to finance the costs of the acquisition and construction of certain additional Facilities and to refund the outstanding Series A Bonds, the outstanding Series B Bonds and the outstanding Series C Bonds; and

WHEREAS, it is desirable and necessary to approve a Third Supplemental Indenture by and between the City and the Trustee supplemental to the Indenture in the form now on file with the City Clerk (the "Third Supplemental Indenture") to specify the conditions, terms and form of such series of the Bonds and to designate such series of the Bonds as the "City of Sacramento North Natomas Drainage Community Facilities District No. 97-01 Special Tax Bonds, Series 2005" (the "Series 2005 Bonds") to be issued pursuant to the Law, the Indenture and the Third Supplemental Indenture to finance the costs of certain additional Facilities, to refund the

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DATE ADOPTED: _____

outstanding Series A Bonds, the outstanding Series B Bonds and the outstanding Series C Bonds, to make a deposit into the Bond Reserve Fund established under the Indenture to increase the amount therein to the Required Bond Reserve (as that term is defined in the Indenture), to fund capitalized interest on the Series 2005 Bonds through September 1, 2006, and to pay for the costs of issuance of the Series 2005 Bonds; and

WHEREAS, the City Council has determined that a private sale of the Series 2005 Bonds would result in a lower overall cost to the City on the Series 2005 Bonds; and

WHEREAS, it is also desirable and necessary to approve the forms of the various financing documents to accompany the issuance of the Series 2005 Bonds; and

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

Section 1. The forgoing recitals are true and correct, and the City Council so finds and determines.

Section 2. Pursuant to the Law, the Indenture and the Third Supplemental Indenture, the Series 2005 Bonds in an aggregate principal amount not to exceed forty million dollars (\$40,000,000) are hereby authorized to be issued by the City, which Series 2005 Bonds shall be dated, shall mature and be subject to redemption, shall be in the form and shall bear interest as set forth in the Third Supplemental Indenture, and shall be executed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City and sealed by the City Clerk with an impression of the seal of the City.

Section 3. The Third Supplemental Indenture is hereby approved, and the Treasurer of the City (the "Treasurer") is hereby authorized to execute and deliver the Third Supplemental Indenture on behalf of the City in substantially the form on file with the City Clerk, with such changes therein as the Treasurer may require or approve, after consultation with Bond Counsel, provided, that such additions or changes shall not authorize an aggregate principal amount of Series 2005 Bonds in excess of the amount stated above or result in a true interest cost on the Series 2005 Bonds in excess of seven per cent (7%) per annum.

Section 4. The Bond Purchase Contract (the "Bond Purchase Contract") providing for the sale of the Series 2005 Bonds, in the form submitted by Stone & Youngberg LLC (the "Underwriter") and now on file with the City, is hereby approved; and the Treasurer is authorized to execute the Bond Purchase Contract on behalf of the City in substantially the form on file with the City Clerk, with such changes as shall be approved by the Treasurer, after consultation with Bond Counsel, for the sale of the

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Series 2005 Bonds to the Underwriter at the purchase price to be set forth in the Bond Purchase Contract, upon the terms and conditions set forth in the Bond Purchase Contract; provided, that such changes shall not authorize an underwriter's discount (exclusive of original issue discount) in excess of three per cent (3%) of the principal amount of the Series 2005 Bonds.

Section 5. The Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the Series 2005 Bonds, in the form now on file with the City Clerk, is hereby approved; and the Treasurer is authorized to execute the Continuing Disclosure Certificate on behalf of the City in substantially the form on file with the City Clerk, with such changes as shall be approved by the Treasurer, after consultation with Bond Counsel.

Section 6. The Preliminary Official Statement (the "Preliminary Official Statement") relating to the Series 2005 Bonds is hereby approved in substantially the form now on file with the City Clerk, with such changes as may be approved by the Treasurer (after consultation with Bond Counsel), and the Treasurer is hereby authorized to approve the distribution of the Preliminary Official Statement in substantially the form on file with the City Clerk and to certify to the Underwriter on behalf of the City that the Preliminary Official Statement was, as of its date, deemed "final" by the City within the meaning of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by such rule), and the Treasurer is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Underwriter the final Official Statement (the "Official Statement"), which shall be in substantially the form of the Preliminary Official Statement with such additions thereto or changes therein as the Treasurer shall require or approve that pertain to the sale of the Series 2005 Bonds, such approval to be conclusively evidenced by the execution and delivery thereof, and the Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Series 2005 Bonds and the Underwriter is directed to deliver such copies of the Official Statement to all actual purchasers of the Series 2005 Bonds.

Section 7. The Escrow Agreement (the "Escrow Agreement") relating to the refunding of the outstanding Series A Bonds, the outstanding Series B Bonds and the outstanding Series C Bonds, in the form now on file with the City Clerk, is hereby approved; and the Treasurer is authorized to execute the Escrow Agreement on behalf of the City in substantially the form on file with the City Clerk, with such changes as shall be approved by the Treasurer, after consultation with Bond Counsel.

Section 8. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all

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RESOLUTION NO.: _____

DATE ADOPTED: _____

documents and contracts which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Series 2005 Bonds, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Indenture, the Third Supplemental Indenture, the Series 2005 Bonds, the Bond Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement and the Official Statement and the Escrow Agreement; and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

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

* * * * *

PASSED AND ADOPTED by the City Council of the City of Sacramento this 26th day of April, 2005.

APPROVED:

Mayor of the City of Sacramento

[SEAL]

ATTEST:

City Clerk of the City of Sacramento

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

CLERK'S CERTIFICATE

I, Shirley Concolino, City Clerk of the City of Sacramento, do hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 26th day of April, 2005, of which meeting all of the members of said City Council had due notice and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at the Sacramento Interim City Hall, 730 I Street, Sacramento, California 95814, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

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

WITNESS my hand this ____ day of _____, 2005.

City Clerk of the
City of Sacramento

[SEAL]

RESOLUTION NO.
ADOPTED BY THE SACRAMENTO CITY COUNCIL
ON DATE OF _____

**RESOLUTION APPROVING THE NORTH NATOMAS DRAINAGE COMMUNITY
FACILITIES DISTRICT NO. 97-01, SERIES 2005 BONDS PROJECT
AND ESTABLISHING THE REVENUE AND EXPENDITURE BUDGET**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The North Natomas Drainage Community Facilities District No. 97-01, Series 2005 project is hereby approved; the project number is XXAD
2. The appropriations, as outlined on Exhibit A to this Resolution, herein incorporated, will be supported by revenue from the sale of Mello-Roos Bonds.
3. The City Treasurer is hereby authorized to modify the budget as may be required after final pricing and sale of the bonds and as thereafter required to carry-out the terms and intent of the financing in accordance with law and city policy.
4. All Cost of Issuance expenditures must have written approval from the Office of the City Treasurer prior to final payment.

APPROVED:

Mayor of the City of Sacramento

ATTEST:

City Clerk of the City of Sacramento

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DATE ADOPTED: _____

SOURCES AND USES OF FUNDS

City of Sacramento
 New Money and Refunding of A,B, and C
 Community Facilities District No. 97-01
 Current Non-Rated Scale as of 3/15/05
CAPITALIZED INTEREST ON NEW MONEY PORTION

Dated Date 6/8/2005

Sources:	New Money Capacity	Refunding of Series A	Refunding of Series B	Refunding of Series C	Total
Bond Proceeds:					
Par Amount	3,385,000.00	18,375,000.00	6,165,000.00	7,605,000.00	35,530,000.00
Other Sources of Funds:					
Series A Reserve		1,602,715.00			1,602,715.00
Series A Debt Service Fund		977,385.00			977,385.00
Series B Reserve			471,097.50		471,097.50
Series B Debt Service Fund			194,843.75		194,843.75
		2,580,100.00	665,941.25		3,246,041.25
	3,385,000.00	20,955,100.00	6,830,941.25	7,605,000.00	38,776,041.25

Uses:	New Money Capacity	Refunding of Series A	Refunding of Series B	Refunding of Series C	Total
Project Fund Deposits:					
New Money Capacity	2,834,422.65				2,834,422.65
Refunding Escrow Deposits:					
Cash Deposit		85.00	345.61	6,877,714.29	6,878,144.90
Open Market Purchases		19,187,192.92	6,237,504.65		25,424,697.57
		19,187,277.92	6,237,850.26	6,877,714.29	32,302,842.47
Other Fund Deposits:					
Reserve Fund	256,549.51	1,392,643.22	467,246.01	576,383.76	2,692,822.50
Capitalized Interest Fund	225,403.70				225,403.70
	481,953.21	1,392,643.22	467,246.01	576,383.76	2,918,226.20
Delivery Date Expenses:					
Cost of Issuance	23,817.90	129,292.15	43,378.83	53,511.12	250,000.00
Underwriter's Discount	44,806.24	243,224.39	81,604.26	100,665.11	470,300.00
	68,624.14	372,516.54	124,983.09	154,176.23	720,300.00
Other Uses of Funds:					
Rounding		2,662.32	861.89	-3,274.28	249.93
	3,385,000.00	20,955,100.00	6,830,941.25	7,605,000.00	38,776,041.25

Note: Assumes that the Series C bonds are paid off on 6/8/05 at 100% of their accreted value

