

SPECIAL JOINT MEETING

SACRAMENTO CITY COUNCIL

SEPTEMBER 22, 1987

CITY COUNCIL CHAMBERS
915 I STREET, SECOND FLOOR

1:00 P.M.

I HEREBY CALL Special concurrent meetings of the Sacramento City Council and the Redevelopment Agency of the City of Sacramento to meet at the time, date and place noted above.

The purpose of the concurrent meetings is to consider and act upon the following:

Various matters regarding tax allocation bond issue for downtown redevelopment projects (D1):

- A. City res. approving the issuance by Redevelopment Agency of the City of Sacramento of its merged downtown Sacramento Redevelopment Project, tax allocation bonds, Series 1987, and making certain determinations relating thereto.
- B. Agency res. awarding the merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1987, and approving other related documents.

ISSUED: This 18th day of September 1987.

APPROVED:



MAYOR/CHAIRPERSON

ATTEST:



CITY CLERK/ACTING SECRETARY



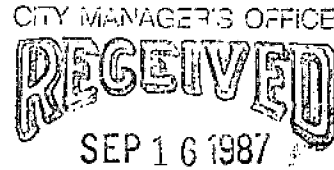
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



1

September 23, 1987

Redevelopment Agency of the
City of Sacramento
City Council of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

SUBJECT: Adoption of Revised Tax Allocation Bond Issuance Resolution and Formal Acceptance of Bids Received on the Bond Issue

SUMMARY

The Redevelopment Agency of the City of Sacramento (RACS) and the City Council are requested to approve final actions on the sale of \$33,925,000 in tax allocation bonds to finance projects in the Merged Downtown Sacramento Redevelopment Project Area. The estimated net proceeds from the issue after required reserve accounts are established will be approximately \$30,000,000.

BACKGROUND

On August 4, 1987, the RACS adopted Resolution No. RA 87-060 authorizing Agency staff to proceed with preparations for the issuance of up to \$35 million in tax allocation bonds to finance several downtown redevelopment projects.*

Staff proceeded with the preparations and formally solicited the Municipal Bond market for bids on these tax allocation bonds. Bids are due at 10:00 a.m. on Tuesday, September 22. The RACS must, by formal resolution, accept and award the lowest qualified bid within 26 hours of the time the bids are submitted (12:00 noon on September 23).

*Note: Exhibit A contains a listing of the Downtown projects on which the funds will be expended. The Library report which you adopted on August 4, 1987, called for and established a budget for \$26.0 million in bond funds of which \$21.5 million was to be used on the library block project and \$4.5 million was to replace "old" bond proceeds borrowed from other projects for legal reasons. To the extent that our "net" proceeds exceed \$26.0 million, the excess will be placed in a contingency account pending development of a recommendation on what specific projects to allocate it to.

9-22-87
D-1

(1)

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
September 23, 1987
Page Two

On August 25, 1987, the RACS adopted Resolution No. 87-070 which authorizes the convening of a Pricing Committee to review the bids received on the sale date. The Pricing Committee (consisting of one representative each from the Sacramento Housing and Redevelopment Agency, City Treasurer's Office and City Finance Department) will review the bids received on September 22, 1987 and issue its recommendations for action by RACS. These recommendations will be presented to RACS by Agency staff at the September 22, 1987 City Council meeting.

In addition, the Agency must approve an Agreement with First Interstate Bank, San Francisco, to provide various financial services in connection with the tax allocation bond sale. (A copy of this contract will be available on file with the City Clerk's office.)

FINANCIAL IMPLICATIONS

The net downtown tax-increment revenues available for debt service in 1987-88 are estimated at \$3.15 million. Based on an analysis prepared by PaineWebber (which includes assumptions on applicable interest rates, interest earnings and reserves), this amount will yield approximately \$33.9 million in bond proceeds to fund downtown redevelopment projects previously approved by the Redevelopment Agency.

POLICY IMPLICATIONS

Adoption of this staff recommendation to authorize acceptance of the bids on the tax allocation bonds issued on September 22 by the RACS is consistent with previous action taken by the RACS and the City Council on this issuance of bonds.

ENVIRONMENTAL IMPLICATIONS

Adoption of the attached resolution has no environmental impact.

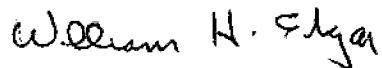
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
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RECOMMENDATION

The staff recommends adoption of the attached resolutions (1) which authorize the Executive Director to execute and deliver all documents relating to technical clarifications relating to the bond sale; (2) approving the Pricing Committee recommendations regarding the acceptance of bids on the tax allocation bonds issued; and (3) approving the Agreement with First Interstate Bank, San Francisco, to provide financial services in conjunction with the bond sale.


Respectfully submitted,



WILLIAM H. EDGAR
Executive Director

WHE/HS:cmc

TRANSMITTAL TO COUNCIL:


WALTER J. SLUPE
City Manager

Contact Person: John Molloy/Henry Sepulveda
440-1357 440-1355

2175J

RESOLUTION NO. 87-076

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

September 22, 1987



AWARDING THE MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES 1987, AND APPROVING OTHER RELATED DOCUMENTS

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 not to exceed \$33,925,000, designated the "REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO MERGED DOWNTOWN REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES 1987," (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, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The bid of offering _____ for said Bonds, bearing interest from September 1, 1987 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. 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. The principal amount and interest rate on the Bonds is hereby fixed at the amount and rate stated in Section 1 hereof.

Section 4. 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 is hereby approved.

Section 6. The Chairman, the Executive Director, and the Secretary of the Agency are hereby authorized and directed to execute and deliver any and all certifications or other documents in connection with the issuance, sale and delivery of the Bonds, including Resolution No. RA 87-060, with such changes, additions, modifications or deletions as have been requested and approved by Bond Counsel or requested by bond-rating agencies or any bond insurance company providing a policy of insurance on the Bonds and approved by Bond Counsel.

CHAIR

ATTEST:

SECRETARY

112f
915

RESOLUTION NO. 87-766

September 22, 1987

APPROVED
BY THE CITY COUNCIL

SEP 22 1987

OFFICE OF THE
CITY CLERK

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO, CALIFORNIA, APPROVING THE ISSUANCE BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO OF ITS MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT, TAX ALLOCATION BONDS, SERIES 1987, AND MAKING CERTAIN DETERMINATIONS RELATING THERETO

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) and the powers of the Agency include the power to issue bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan known as the "Merged Downtown Sacramento Redevelopment Project" has been adopted and approved by the City of Sacramento (the "City"), pursuant to Ordinance Nos. OR 86-063 through OR 86-067 adopted on June 17, 1986, and all requirements of law for and precedent to the adoption and approval of said Redevelopment Plan have been duly complied with; and

WHEREAS, the Agency has adopted its Resolution entitled:

"RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO SUPPLEMENTING RESOLUTIONS NO. 85-092 AND 85-093 AND AUTHORIZING THE ISSUANCE OF PARITY TAX ALLOCATION BONDS OF SAID AGENCY IN A PRINCIPAL AMOUNT NOT TO EXCEED THIRTY-FIVE MILLION DOLLARS (\$35,000,000) TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT KNOWN AS THE MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT"

; and

WHEREAS, the Agency has adopted its Resolution entitled:

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AWARDDING NOT TO EXCEED \$33,925,000 MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES 1987, TO THE BEST BIDDER, REJECTING ALL OTHER BIDS AND APPROVING CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE BONDS"

; and

WHEREAS, under and pursuant to the above Resolutions, the Agency has authorized the issuance and sale of \$ _____ Redevelopment Agency of the City of Sacramento Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1987 (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY the City Council of the City of Sacramento, California, as follows:

Section 1. Approval of Issuance of Bonds. The issuance of an aggregate principal amount of \$ _____ of "Redevelopment Agency of the City of Sacramento Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1987" (the "Bonds"), in order to aid in the financing of the Merged Downtown Sacramento Redevelopment Project and for other purposes related thereto, all of which constitute a "redevelopment activity", as such term is defined in Health and Safety Code Section 33678, is hereby authorized and approved pursuant to Health and Safety Code Section 33640.

Section 2. Effective Date. This Resolution shall take effect upon adoption.

PASSED, APPROVED, AND ADOPTED this _____ day of September, 1987, by the following vote:

AYES:

NOES:

ABSENT:

Mayor of the City of Sacramento

ATTEST:

Clerk of the City of Sacramento

STATE OF CALIFORNIA) CLERK'S CERTIFICATE
COUNTY OF SACRAMENTO) ss. RE ADOPTION OF RESOLUTION
CITY OF SACRAMENTO)

I, _____, Clerk of the City of Sacramento, California, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of said City at a regular meeting of said City Council held on the 22nd day of September, 1987 and that the same was passed and adopted by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Clerk of the City of
Sacramento, California

(SEAL)

STATE OF CALIFORNIA) CLERK'S CERTIFICATE OF
COUNTY OF SACRAMENTO) ss. AUTHENTICATION
CITY OF SACRAMENTO)

I, _____, Clerk of the City of Sacramento, California, DO HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of Resolution No. _____ of the City Council of said City and that said Resolution was adopted at the time and by the vote stated on the above certificate, and has not been amended or repealed.

Clerk of the City of
Sacramento, California

(SEAL)

APPROVED DOWNTOWN REDEVELOPMENT PROJECTS

CATEGORY I:

1. **Central Library Expansion** This public-private project involves the redevelopment of a full City block located adjacent to City Hall and bounded by I-J and 8th-9th Streets.
Public Component. The public component of the project includes the construction of a new public library facility (150,000 square feet), rehabilitation of the existing library complex and an 856 space public parking garage.
Private Component. The private component of the project includes the construction of a private office building to be located on the remainder of the block, consisting of 300,000 square feet of office space along with 15,000 square feet of ground-level retail shops.
2. **Parcel D-1 Office and Retail Development** This project is also a public/private venture.
Public Component. The public component of the project includes the development of an 850-space parking garage to serve short-term parking demands. The garage will be located adjacent to the Downtown Plaza Mall facing J Street, between 4th and 5th Streets.
Private Component. The private portion of the project includes a mixed-use office-retail development.
3. **Old Sacramento Waterfront Wharf Construction** This project, located between "J" and "K" Streets, constitutes the completion of the Old Sacramento Waterfront. When complete, this project will serve as a catalyst for additional private investment and revitalization. The Wharf construction will also provide a public thoroughfare along the Old Sacramento Riverbank.

CATEGORY II:

1. **City Plaza Park Design and Improvements** Funding for this project would support the redesign and public improvements to City Plaza Park. Project site is on the blocks bounded by I-J, 9th-10th Streets. The entire project is a public venture.
2. **Residential Land Acquisition in the "Northeast Neighborhood" Area** This public/private project will increase the supply of housing in the Merged Downtown Project Area. The public component entails the purchase and assembly of parcels in the blocks bounded by 16th, 18th, I and L Streets. Private parties will then develop and operate mixed income apartment complexes.
3. **Docks Development** This project, a joint public/private venture, is a mixed-use redevelopment of the Sacramento Waterfront. Included within the project are a 300-room hotel, parking facilities, restaurant, office space, 600 units of rental housing, public tour boat, transient marina facility, public promenade, public park and the California State Museum of Railroad Technology.

CATEGORY III:

1. **Redevelopment of L Street, 7th to 8th Streets** This public project entails the redevelopment of a half city block as a mixed-use facility. The public component will be a parking garage; the private component an office and retail complex.
2. **Public Improvements** This public project will provide infrastructure improvements throughout the project area including curbs, gutters, sewers, storm drainage, street repairs and street lights.
3. **Retail Galleria** This public/private project calls for the redevelopment of an area between 9th and 10th Streets extending from L to J Streets. The public component will be public parking and an open-air public access galleria; the private component will consist of retail and office space.
4. **Single Room Occupancy Units** These public/private projects consist of public assistance towards the rehabilitation of Single Room Occupancy (SRO) hotels. Approximately 500 units are proposed to ensure a supply of affordable housing for low-income households.
5. **Mid-sized Performance Center** This public project, adjacent to the existing Convention Center, will provide theatre, dance, symphony and other performing arts space for cultural events.



2

OFFICE OF THE
CITY TREASURER

THOMAS P. FRIERY
TREASURER

DONALD E. SPERLING
ASSISTANT TREASURER

Redevelopment Agency of the
City of Sacramento
Sacramento City Council
Sacramento, California

CITY OF SACRAMENTO
CALIFORNIA

September 22, 1987
87147TPFlv:mergdt

800 TENTH STREET
SUITE ONE
SACRAMENTO, CA
95814-2688

916-449-5318
OPERATIONS

916-449-5168
INVESTMENTS &
ADMINISTRATION

916-448-3139
DEX TRANSCEIVER

Honorable Members in Session:

SUBJECT: Award of Merged Downtown Sacramento Project Area Tax Allocation
Bonds (TAB) to an Underwriting Syndicate Led by Smith Barney

SUMMARY

On September 22, 1987, six (6) competitive bids were received on the Merged Downtown Sacramento Project Area TAB issue. The lowest net interest cost bid of 8.190918% was submitted by the underwriting group of Smith Barney.

The Pricing Committee comprised of Terry Wolford, Betty Masuoka and the City Treasurer preliminarily accepted the lowest net interest cost bid and recommends final acceptance by the Agency of this bid and award of the Merged Downtown Sacramento Project area TAB to the underwriting group of Smith Barney.

It is brought to the Agency's attention that the TAB issue qualified for municipal bond insurance by Municipal Bond Insurance Association (MBIA) and thus was assigned a rating of AAA in the marketplace upgrading the A and BBB+ assigned by the rating agencies. The insurance premiums will be paid by the underwriter group and not charged directly to bond proceeds.

It is brought to the Agency's attention for information purposes that MBIA required an amendment to the bond resolution of the Agency to satisfy the 20% housing set aside requirement under State law. A copy of the bond counsel communication as well as the revisions to the resolution are shown as Attachments 2 and 3.

BACKGROUND

On August 25, 1987 the City Council approved proceeding with the TAB sale and designated a pricing committee to preliminarily accept or reject the bids of underwriting groups on September 22, 1987, subject to Agency approval that evening.

On September 17, 1987, Standard and Poor's rated the TABs BBB+ and on September 21, 1987, Moody's rated the TABs A. Further, on September 17, 1987, MBIA qualified the TABs for insurance which upgrades the bond rating to AAA if acquired.

MBIA called with questions regarding the Agency's housing set aside program under State law. After discussion with bond counsel on this matter, it was determined that City Council will authorize changes to be made to the bond resolution which may have been required by the rating agencies or insurance companies for clarification at the time the Agency approves and accepts the bid on September 22, 1987. Bond counsel advised MBIA (see Attachment 2) that their concern relative to the housing 20% set aside requirement could be met by amendment to the resolution which is shown in Attachment 3. This information is presented for Agency and Council information and will be resolved when the Agency and Council approve the sale of bonds.

The Pricing Committee met on September 22, 1987 and received the following competitive bids:

Merged Downtown Sacramento Project Area Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Bid</u>	<u>Net Interest Cost</u>
Smith Barney, Inc.	Yes	\$98.00	8.190918%
Bear Stearns	No	\$98.025975	8.1939%
Morgan Stanley	No	\$98.00037	8.22003%
Paine Webber, Inc.	No	\$98.000726	8.2357%
Bank of America	Yes	\$98.00	8.3417%
Merrill Lynch	No	\$98.005739	8.4526%

The Pricing Committee determined the bid of Smith Barney for the Merged Downtown Sacramento Project Area at a net interest cost of 8.190918% to be the lowest bid submitted. The Committee recommends Agency final acceptance of these bids and award of the TABs as stated herein.

FINANCIAL

The following sets forth the lowest bid received and the estimated financing costs and expenses associated with the TAB issue:

Merged Downtown Sacramento TAB

Par Value	\$ 33,925,000.00
	=====
Bid of Smith Barney	\$ 98.00
	=====
Net Interest Cost 1/	8.190918%
	=====

On September 17, 1987, Standard and Poor's rated the TABs BBB+ and on September 21, 1987, Moody's rated the TABs A. Further, on September 17, 1987, MBIA qualified the TABs for insurance which upgrades the bond rating to AAA if acquired.

MBIA called with questions regarding the Agency's financing set aside program under State law. After discussion with bond counsel on this matter, it was determined that City Council will authorize changes to be made to the bond resolution which may have been required by the rating agencies or insurance companies for clarification at the time the Agency appears and accepts the bid on September 22, 1987. Bond counsel advised MBIA (see Attachment 2) that their concern relative to the financing set aside requirement could be met by amendment to the resolution which is shown in Attachment 3. This information is presented for Agency and Council information and will be resolved when the Agency and Council approve the sale of bonds.

The Pricing Committee met on September 22, 1987 and received the following competitive bids:

Merged Downtown Sacramento Project Area Competitive Bids

<u>Underwriting Group</u>	<u>Insurance</u>	<u>Bid</u>	<u>Net Interest Cost</u>
Smith Barney, Inc.	Yes	\$88.00	0.190318%
Ray Stearns	No	\$88.02370	0.1938%
Morgan Stanley	No	\$88.00037	0.22003%
Paine Webber, Inc.	No	\$88.000758	0.2327%
Bank of America	Yes	\$88.00	0.3417%
Herwill Lynch	No	\$88.002732	0.4228%

The Pricing Committee determined the bid of Smith Barney for the Merged Downtown Sacramento Project Area at a net interest cost of 0.190318% to be the lowest bid submitted. The Committee recommends Agency final acceptance of these bids and award of the TABs as stated herein.

FINANCIAL

The following sets forth the lowest bid received and the estimated financing costs and expenses associated with the TAB issue:

Merged Downtown Sacramento TAB

Per Value	\$ 33,025,000.00
Bid of Smith Barney	\$ 08.00
Net Interest Cost 1/	0.190318%

Estimated Financing Costs & Expenses

Underwriter's Discount	\$	678,500.00
Financial Advisor's Fee		109,812.50
Financial Advisor's Expense		16,000.00
Rating Agency's Fee		35,000.00
Printing of OS		50,000.00
Bond Printing		5,000.00
Trustee Fee (Setup)		11,000.00
Bond Counsel Fee		60,000.00
Fiscal Consultant Fee		17,500.00
Video Consultant		10,100.00
Total <u>2/</u>	\$	992,912.50
		=====
% of Issue Size		2.927%
		=====

1/ See Attachment 1 for calculation.

2/ Excludes municipal insurance premium which is estimated to be \$592,000 which if purchased will be paid for by bidder.

All estimated financing costs and expenses are reasonable when compared to other issues of TABs. Further, the estimated financing fees and expenses are within the terms of the agencies' contract with the financial advisor.

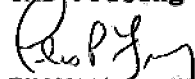
RECOMMENDATION

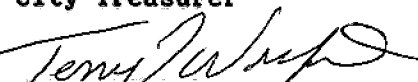
It is recommended that the Redevelopment Agency of the City of Sacramento accept the bid and award:

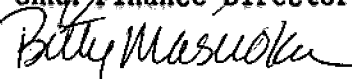
- The Merged Downtown Sacramento Project Area Tax Allocation Bonds to the underwriting group of Smith Barney at a net interest cost of 8.190918%.

Attachments (3)

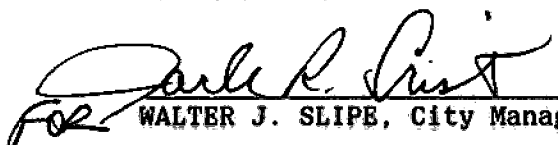
Respectfully submitted,
TAB Pricing Committee


THOMAS P. FRIERY
City Treasurer


TERRY WOLFORD
SHRA Finance Director


BETTY MASUOKA
City Finance Director

RECOMMENDATION APPROVED:


FOR WALTER J. SLIPE, City Manager

September 22, 1987
All Districts

Estimated Financing Costs & Expenses

878,000.00	3	Underwriter's Discount
109,812.50		Financial Advisor's Fee
18,000.00		Financial Advisor's Expense
32,000.00		Rating Agency's Fee
50,000.00		Printing of OS
3,000.00		Bond Printing
11,000.00		Trustee Fee (Setup)
60,000.00		Bond Counsel Fee
17,500.00		Legal Consultant Fee
10,100.00		Video Consultant
<u>992,912.50</u>	\$	Total
2.937%		# of bond size

1/ See Attachment 1 for calculation.
 2/ Excludes municipal insurance premium which is estimated to be \$392,000 which is purchased will be paid for by bidder.

All estimated financing costs and expenses are reasonable when compared to other issues of TABs. Further, the estimated financing fees and expenses are within the terms of the agency's contract with the financial advisor.

RECOMMENDATION

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

-- The Harked Downtown Sacramento Project Area Tax Allocation Bonds to the underswriting group of Smith Barney at a net interest cost of 8.1500%.

Respectfully submitted,
 TAB Pricing Committee

Attachments (3)

THOMAS P. FRIERY
 City Treasurer

TERRY WOLFORD
 CRA Finance Director

BETTY MASLOVA
 City Finance Director

RECOMMENDATION APPROVED:

September 22, 1987
 All Districts

WALTER J. SHIBB, City Manager

**BIDS ON MERGED DOWNTOWN SACRAMENTO PROJECT AREA
SEPTEMBER 22, 1987**

BIDS*

<u>Maturity Date</u>	<u>Par Value Maturity</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>		
8	\$ 570,000	7.75	7.00	7.60		
9	595,000	}	}	}		
90	625,000					
1	660,000					
2	695,000					
3	735,000					
4	780,000					
5	830,000					
6	880,000					
7	940,000					
8	1,010,000				7.80	7.80
9	1,080,000	7.80	7.90	7.90		
2000	1,160,000	7.90	8.00	8.00		
1	1,245,000	8.00	8.00	}		
2	1,340,000	}	8.10			
3	1,440,000					
4	1,550,000					
5	1,675,000					
6	1,805,000					
7	1,950,000					
8	2,105,000					
9	2,275,000					
10	2,460,000		8.15		}	
11	2,655,000		}			
12	2,865,000					
Total	\$33,925,000					
Avg. Coupon		8.048%		8.052%		8.077 %
Bid		\$ 98.00		\$ 98.025975		98.00037%
Net Interest Cost		8.190918%		8.19397%		8.220032
Total Debt Service		\$79,519,386.88		\$79,545,439.58		\$79,683,984.17
Average Life		16 yr.7 mo.		16 yr.7 mo.		16 yr. 7 mo.
Cost of Issuance		\$ 992,912.50		N/A		N/A

*Group 1 - Underwriting Group of Smith Barney
 *Group 2 - Underwriting Group of Bear Stearns
 *Group 3 - Underwriting Group of Morgan Stanley

SEPTMBER 22, 1987
BIDS ON MERGED DOWNTOWN SACRAMENTO PROJECT AREA

BIDS*

Group 3	Group 2	Group 1	Per Value	Maturity	Maturity
7.00	7.00	7.75	Per Value	Maturity	Date
			\$ 270,000	8	
			223,000	9	
			623,000	10	
			680,000	1	
			682,000	2	
			703,000	3	
			780,000	4	
	7.50		030,000	5	
	7.40		880,000	6	
	7.60		940,000	7	
7.75	7.80		1,010,000	8	
7.80	7.90	7.80	1,080,000	9	
8.00	8.00	7.90	1,180,000	1000	
	8.00	8.00	1,242,000	1	
	8.10		1,340,000	2	
	8.10		1,410,000	3	
	8.10	8.10	1,520,000	4	
8.50	8.15	8.10	1,675,000	5	
	8.15	8.15	1,802,000	6	
	8.20	8.15	1,950,000	7	
		8.15	2,102,000	8	
		8.15	2,275,000	9	
		8.10	2,450,000	10	
			2,625,000	11	
			2,825,000	12	
			332,923,000	Total	
	8.022	8.048		Avg. Coupon	
	2 08.02287	2 08.00		Bid	
8.52033	8.1937	8.19018		Not Interest Cost	
17.189,883,984.17	179,642,439.08	179,019,389.88		Total Debt Service	
10 yr. 7 mo.	10 yr. 7 mo.	10 yr. 7 mo.		Average life	
NA	NA	2 992,912.50		Cost of Issuance	

*Group 1 - Underwriting Group of Smith Barney
*Group 2 - Underwriting Group of Bear Stearns
*Group 3 - Underwriting Group of Morgan Stanley

**BIDS ON MERGED DOWNTOWN SACRAMENTO PROJECT AREA
SEPTEMBER 22, 1987**

BIDS*

<u>Maturity Date</u>	<u>Par Value Maturity</u>	<u>Group 4</u>	<u>Group 5</u>	<u>Group 6</u>	
8	\$ 570,000	7.875	6.75	7.00	
9	595,000	}	}	}	
90	625,000				
1	660,000				
2	695,000				
3	735,000				
4	780,000				
5	830,000				
6	880,000				
7	940,000				
8	1,010,000				
9	1,080,000			8.00	
2000	1,160,000	7.90	}	8.10	
1	1,245,000	8.00		8.20	
2	1,340,000	8.05		8.25	
3	1,440,000	8.10		8.30	
4	1,550,000	}		}	}
5	1,675,000				
6	1,805,000				
7	1,950,000				
8	2,105,000				
9	2,275,000				
10	2,460,000				
11	2,655,000				
12	2,865,000				
Total	\$33,925,000				
Avg. Coupon		8.093%	8.198%	8.309%	
Bid		\$98.000726	\$98.005739	98.00%	
Net Interest Cost		8.235786%	8.341705%	8.452651%	
Total Debt Service		\$79,773,101.68	\$80,373,169.58	\$80,997,988.75	
Average Life		16 yr. 7 mo.	16 yr. 7 mo.	16 yr. 7 mo.	
Cost of Issuance		N/A	\$ N/A	N/A	

*Group 4 - Underwriting Group of Paine Webber
 *Group 5 - Underwriting Group of Bank of America
 *Group 6 - Underwriting Group of Merrill Lynch

BIDS ON MERGED DOWNTOWN SACRAMENTO PROJECT AREA
SEPTEMBER 22, 1987

BIDS*

Group 0	Group 1	Group 2	Net Value	Material
7.00	8.78	7.878	\$ 870,000	8
			882,000	9
			822,000	10
			880,000	11
	7.00		882,000	12
			732,000	13
7.20	7.50		780,000	14
7.40	7.40		830,000	15
7.60	7.60		880,000	16
7.78	7.80		940,000	17
7.80	8.00		1,010,000	18
8.00			1,080,000	19
8.10		7.80	1,160,000	2000
8.20		8.00	1,240,000	1
8.22		8.02	1,340,000	2
8.30		8.10	1,440,000	3
8.32			1,520,000	4
8.40	8.10		1,620,000	5
8.42	8.10	8.12	1,802,000	6
8.60	8.122		1,950,000	7
	8.20		2,102,000	8
		8.20	2,272,000	9
			2,460,000	10
			2,622,000	11
			2,882,000	12
			232,922,000	Total
8.2022	8.1022	8.0822		Avg. Coupon
88.002	88.00232	88.00028		Bid
8.40232	8.34702	8.28282		Net Interest Cost
280.372,169.22	280.372,169.22	270.773,102.68		Total Debt Service
10 yr. 7.00	10 yr. 7.00	10 yr. 7.00		Average Life
N/A	N/A	N/A		Cost of Issuance

*Group 0 - Underwriting Group of Merrill Lynch
*Group 1 - Underwriting Group of Bank of America
*Group 2 - Underwriting Group of Paine Webber

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September 18, 1987

Mr. Bob Moore
 Municipal Bond Insurance Corporation
 White Plains, New York

Re: Redevelopment Agency of the City of Sacramento,
 Merged Downtown Redevelopment Project, Tax
 Allocation Bonds, Series 1987

Dear Mr. Moore:

This letter is to confirm that the Resolution approving the issuance of the above Bonds will provide that the parity test with respect to any additional Bonds issued pursuant to the Resolution will be required to exclude the amount of Tax Revenues the Agency is required to set aside for low and moderate income housing pursuant to Sections 33334.2 and 33334.6 of the Law.

Sincerely,

STRADLING, YOCCA, CARLSON & RAUTH



Karen A. Ellis

KAE:pg

ATTACHMENT 3

Page 1 of 2

the Agency as shown by a certificate or opinion of, or representation by, an officer or officers of the Agency, unless such counsel knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous.

(s) "Parity Bonds" means any additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) issued by the Agency as permitted by Section 18 of this Resolution.

(t) "Prior Bonds" means the Agency's \$6,500,000 Tax Allocation Bonds, Capitol Mall Riverfront Project, Project No. 4, Series 1985, and \$14,450,000 Tax Allocation Bonds, Uptown Development Project, Project No. 8.

(u) "Redevelopment Agency" or "Agency" means the Redevelopment Agency of the City of Sacramento.

(v) "Redevelopment Plan" means the "Merged Downtown Sacramento Redevelopment Project", approved and adopted by the City by Ordinance Nos. OR 86-063 through OR 86-067, and includes any amendment thereof heretofore or hereafter made pursuant to the Law.

(w) "Redevelopment Project" means the Merged Downtown Sacramento Redevelopment Project.

(x) "Redevelopment Project Area" means the project area described and defined in the Redevelopment Plan.

(y) "Regular Record Date" means the fifteenth day of the month preceding any interest payment date.

(z) "Regulations" means the regulations adopted by the Department of Treasury from time to time.

(aa) "Reserve Requirement" means an amount equal to Maximum Annual Debt Service.

(bb) "Tax Revenues" means that portion of taxes (excluding amounts required to be set aside for low and moderate income housing pursuant to Sections 33334.2 and 33334.6 of the Law) levied upon taxable property in the Redevelopment Project Area and received by the Agency on or after the date of the adoption of the Ordinance approving the Redevelopment Plan of the Agency pursuant to Article 6 of Chapter 6 of the Law and Section 16 of Article XVI of the Constitution of the State of California plus State reimbursed amounts, to the extent actually received, all as more particularly set forth hereafter in this Resolution.

Covenant 12. Low and Moderate Income Housing. The Agency covenants and agrees to satisfy its obligations under Sections 33334.2 and 33334.6 of the Law to expend 20% of its Tax Revenues to increase the supply of low and moderate income housing by applying surplus Tax Revenues available to the Agency pursuant to Section 15(d) of the Resolution and any other moneys available to the Agency from sources other than Tax Revenues for such purpose to the extent required by Section 33334.2 of the Law.