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**OFFICE OF THE  
CITY TREASURER**

THOMAS P. FRIERY  
TREASURER

DONALD E. SPERLING  
ASSISTANT TREASURER

**CITY OF SACRAMENTO**  
CALIFORNIA

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November 7, 1989

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Resolution Authorizing the Issuance, Sale and Delivery of  
Sacramento Public Television Facility Revenue Bonds (KVIE, Inc.),  
1989 Series A, and Certain Other Actions in Connection Therewith.

SUMMARY

On November 7, 1989, the City Treasurer and Paine Webber, Inc. negotiated a true interest cost of 7.77 % based on normal financing costs and expenses of \$96,937 for \$5.90 million Sacramento Public Television Facility Revenue (KVIE, Inc.) bonds. Paine Webber negotiated on behalf of the underwriting group which also includes Stone & Youngberg and Dowdell Securities/Van Kampen Merritt/PacificCorp Capital Securities as co-underwriters. The bonds have a weighted average life of 21 years. The bonds were rated "A" by Standard & Poor's Corporation. Debt service payments will average \$495,915 per year.

Legal documents associated with the bonds are in final form and require Council approval. These documents are on file with the City Clerk and include the Bond Indenture, a Loan Agreement, and a Bond Purchase Contract.

The interest rates and underwriter's discount negotiated are favorable and comparable to similar transactions in the market. The Treasurer recommends award of the bonds to the underwriters.

The report and resolution referred to in this report are included in the Council packet as Report #18 on the 11/8/89 Agenda.

BACKGROUND

See City Council report.

FINANCIAL DATA

See City Council report.

POLICY CONSIDERATIONS

See City Council report.

MBE/WBE EFFORTS

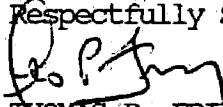
See City Council report.

RECOMMENDATION

It is recommended that after hearing the City Council report, the Budget and Finance Committee recommend to the full Council adoption of the resolution which provides for:

- The issuance, sale and delivery of City of Sacramento Public Television Facility Revenue Bonds, 1989 Series A, and
- Approval and execution of the final form of Bond Indenture, Loan Agreement and Bond Purchase Contract.

Respectfully Submitted,

  
THOMAS P. FRIERY,  
City Treasurer

RECOMMENDATION APPROVED:

  
JACK R. CRIST, Deputy City Manager

November 8, 1989  
All Districts

Contact Person: Thomas P. Friery, City Treasurer  
449-5168

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF SACRAMENTO PUBLIC TELEVISION FACILITY REVENUE BONDS (KVIE, INC.), 1989 SERIES A, THE EXECUTION AND DELIVERY OF AN INDENTURE, A LOAN AGREEMENT, AND A BOND PURCHASE CONTRACT, AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH, AND APPROVING AS TO FORM A REIMBURSEMENT AGREEMENT AND AN OFFERING MEMORANDUM.

WHEREAS, the City of Sacramento (the "City"), a charter city and municipal corporation of the State of California, has by Ordinance No. 89-072, adopted on September 27, 1989, enacted the City of Sacramento Nonprofit Public Benefit Corporation Facilities Financing Law (the "Law"), establishing a program and procedure for the authorization, sale and issuance of revenue bonds by the City for the purpose of making loans to participating parties to finance and refinance their facilities;

WHEREAS, KVIE, Inc., a nonprofit public benefit corporation duly organized under the laws of the State of California (the "Corporation"), now owns, maintains and operates a public television broadcasting facility located in the City, and has applied to the City for the issuance of its revenue bonds on behalf of the Corporation in an aggregate principal amount not to exceed five million nine hundred thousand dollars (\$5,900,000) for the purpose of financing the construction and equipping of a new administration and broadcasting facility (the "Project") for the Corporation, which project will qualify for assistance under the Law;

WHEREAS, the City Council of the City has authorized proper officers of the City to proceed to prepare or cause to be prepared the documentation necessary for the issuance of bonds to fund a loan to the Corporation to finance the Project;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the bonds requires approval, following a public hearing, by the elected legislative body of the issuer of the bonds and of the

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

governmental unit having jurisdiction over the area in which the project financed by the bonds is located;

WHEREAS, the Corporation's facilities are located wholly within the geographical jurisdiction of the City;

WHEREAS, the City Council is the elected legislative body of the City;

WHEREAS, a notice of a public hearing with respect to the proposed issuance of the bonds was published in a newspaper of general circulation in the City;

WHEREAS, the City Council of the City held the said public hearing, at which time an opportunity was provided to present arguments both for and against the issuance of the bonds and the nature and location of the project financed by the bonds;

WHEREAS, final approval of the terms of the issuance and sale of such revenue bonds is now sought;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento as follows:

Section 1. The City Council of the City finds and determines that the financing of the Project will be in furtherance of the public purposes set forth in the Law by assisting the Corporation in providing educational and cultural services to the City through the Corporation's public television broadcasting facility, and by alleviating financial and operating hardships of the Corporation; and that it is necessary and essential and a proper public purpose that the facility be financed at the earliest possible date.

Section 2. Pursuant to the Law, revenue bonds of the City designated as the "City of Sacramento Public Television Facility Revenue Bonds (KVIE, Inc.), 1989 Series A" (the "Bonds"), in an aggregate principal amount not to exceed five million nine hundred thousand dollars (\$5,900,000) are authorized to be issued in order to fund a loan to the Corporation to finance the Project. The City hereby finds that the Corporation is a "participating party" and the public television broadcasting facility maintained and operated by the Corporation constitutes a "facility" as such terms are defined in the Law.

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RESOLUTION NO. \_\_\_\_\_

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Section 3. The proposed form of Loan Agreement between the City and the Corporation, as presented to this meeting, is hereby approved. The City hereby specifically finds and declares that the findings of the City set forth in Section 2.2 of said form of Loan Agreement are true and correct. The Mayor and the City Manager, or either of them, are hereby authorized and directed, for and on behalf of the City, to execute and deliver to the Corporation the Loan Agreement in substantially said form, with such changes therein as such officer, with the advice of the City Attorney, may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 4. The proposed form of Indenture relating to the Bonds, between the City and Security Pacific National Bank, as trustee, as presented to this meeting, is hereby approved. The Mayor and the City Manager, or either of them, are hereby authorized and directed, for and on behalf of the City, to execute and deliver to said trustee the Indenture in substantially the form presented to this meeting with such changes therein as such officer, with the advice of the City Attorney, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in said Indenture as finally executed.

Section 5. The proposed form of Bond Purchase Contract, to be dated as of the date of the sale of the Bonds, between PaineWebber Incorporated, as representative of the underwriters listed therein (the "Underwriters"), and the City, and approved by the Corporation, as presented to this meeting, is hereby approved. The Mayor and the City Manager, or either of them, are hereby authorized and directed, for and on behalf of the City, to approve the final terms of the sale of the Bonds, provided that the net interest cost of the Bonds shall not exceed twelve percent per annum (12%), and to evidence the City's acceptance of the offer made thereby by executing and delivering the Bond Purchase Contract in substantially the form presented at this meeting with such changes therein as such officer, with the advice of the City Attorney, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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RESOLUTION NO.: \_\_\_\_\_

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Section 6. The proposed form of Offering Memorandum relating to the Bonds, as presented to this meeting, is hereby approved. The City hereby ratifies the previous distribution by the Underwriters of the preliminary form of Offering Memorandum, and the Underwriters are hereby authorized to deliver the Offering Memorandum in substantially the form approved herein, to the purchasers of the Bonds. The City's execution of the Indenture, shall conclusively evidence the City's approval of the final form of the Offering Memorandum as delivered by the Underwriters.

Section 7. The proposed form of Reimbursement Agreement, including the form of Letter of Credit attached thereto as Exhibit A, as presented to this meeting, is hereby approved. The City's execution of the Indenture shall conclusively evidence the City's approval of the final forms of the Reimbursement Agreement and the Letter of Credit as executed and delivered by the parties thereto.

Section 8. The Bonds in an aggregate principal amount not to exceed five million nine hundred thousand dollars (\$5,900,000) shall be executed by the facsimile signature of the Mayor or the City Manager, a facsimile of the seal of the City shall be reproduced thereon and attested by the facsimile signature of the City Clerk, in the form set forth in and otherwise in accordance with said Indenture.

Section 9. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser thereof in accordance with written instructions executed on behalf of the City by the Mayor or the City Manager, which instructions said officers are hereby authorized and directed, for and on behalf of the City, to execute and deliver to the Trustee. Said instructions shall provide for the delivery of the Bonds to the purchaser thereof upon payment of the purchase price thereof.

Section 10. The City Clerk is hereby authorized and directed to attest the signature of the Mayor or the City Manager and to affix and attest the seal of the City as may be required in connection with the execution and delivery of the Indenture, the Loan Agreement, the Bond Purchase Contract, and the Bonds in accordance with this Resolution.

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RESOLUTION NO.: \_\_\_\_\_

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Section 11. 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 documents that they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the transactions contemplated thereby.

Section 12. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the applicable elected legislative body in accordance with Section 147(f) of the Code.

This resolution shall take effect immediately upon its passage.

PASSED, APPROVED and ADOPTED this 8th day of November 1989 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
City Clerk of the City

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