

RESOLUTION NO. - 99-038

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF NOV 16 1999

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
AUTHORIZING THE BORROWING OF FUNDS FROM THE SACRAMENTO CITY
FINANCING AUTHORITY AND AUTHORIZING AND DIRECTING EXECUTION OF
RELATED LOAN AGREEMENTS, AUTHORIZING THE BORROWING OF FUNDS FROM
THE CITY OF SACRAMENTO AND AUTHORIZING AND DIRECTING EXECUTION OF
RELATED ADVANCE REPAYMENT AGREEMENTS, APPROVING SALE OF BONDS BY
THE AUTHORITY AND RELATED OFFICIAL STATEMENT AND PROVIDING OTHER
MATTERS PROPERLY RELATING THERETO.**

WHEREAS, the Redevelopment Agency of the City of Sacramento (the "Agency") is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Part 1 of Division 24 of the Health and Safety Code of the State of California (the "Redevelopment Law"), and has the power under Section 33601 of the Redevelopment Law to borrow money for any of its corporate purposes; and

WHEREAS, for the purpose of financing and refinancing redevelopment activities within or of benefit to the Agency's "Del Paso Heights Redevelopment Project, Project No. 5", the Agency has heretofore issued \$2,275,000 principal amount of its Del Paso Heights Redevelopment Project, Project No. 5 Tax Allocation Refunding Bonds, Series 1989 (the "1989 Del Paso Heights Tax-Exempt Bonds") and \$2,285,000 principal amount of its Del Paso Heights Redevelopment Project, Project No. 5 Taxable Tax Allocation Bonds, Series 1989 (the "1989 Del Paso Heights Taxable Bonds"); and

WHEREAS, for the purpose of financing redevelopment activities within or of benefit to the Agency's "Oak Park Redevelopment Project, Project No. 7", the Agency has heretofore issued \$5,300,000 principal amount of its Oak Park Redevelopment Project, Project No. 7 Tax Allocation Refunding Bonds, Series 1989 (the "1989 Oak Park Tax-Exempt Bonds") and \$3,160,000 principal amount of its Oak Park Redevelopment Project, Project No. 7 Taxable Tax Allocation Bonds, Series 1989 (the "1989 Oak Park Taxable Bonds"); and

WHEREAS, the Sacramento City Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated October 1, 1989, by and between the City of Sacramento and the

FOR CITY CLERK USE ONLY

RESOLUTION NO: 99-03835

DATE ADOPTED NOV 16 1999

Agency, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and is authorized pursuant to Article 4 of the Act (the "Bond Law") to issue bonds for the purpose of making loans to the Agency to provide financing and refinancing for redevelopment activities that are public capital improvements of the Agency; and

WHEREAS, for the purpose of financing additional redevelopment activities within and of benefit to the Del Paso Heights Redevelopment Project, Project No. 5, and Oak Park Redevelopment Project, Project No. 7 (together, the "Two Redevelopment Projects") the Authority has heretofore made loans to the Agency with respect to each of the Two Redevelopment Projects (the "1993 Loans"); and

WHEREAS, to provide funds to make the 1993 Loans to the Agency (and to provide funds for certain other purposes) the Authority issued its \$9,090,000 aggregate principal amount of Sacramento City Public Financing Authority 1993 Taxable Tax Allocation Revenue Bonds, Series A (the "1993 Series A Bonds") and its \$22,233,422.60 aggregate initial principal amount of Sacramento City Financing Authority 1993 Tax Allocation Bonds, Series B (Merged Downtown Sacramento, Alkali Flat, Del Paso Heights and Oak Park Redevelopment Project Areas) (the "1993 Series B Bonds"); and

WHEREAS, the Authority made the 1993 Loans to the Agency in two parts, namely, from a portion of the proceeds of the 1993 Series A Bonds (the "1993 Series A Bonds Portion"), and from a portion of the proceeds of the Series B Bonds (the "1993 Series B Bonds Portion"); and

WHEREAS, the Agency desires that the Authority now make additional loans (the "Loans") to the Agency for the purpose of providing funds to refund and defease the outstanding 1989 Del Paso Heights Tax-Exempt Bonds and 1989 Oak Park Tax-Exempt, to repay in full the unpaid 1993 Series B Bonds Portion of the 1993 Loans and to assist in the financing of additional redevelopment activities within and of benefit to the Two Redevelopment Projects, and, further, pursuant to an exchange of a portion of the proceeds of such Loans, to assist in financing certain redevelopment activities within or of benefit to the Agency's Merged Downtown Sacramento Redevelopment Project (the "Downtown Project"); and

WHEREAS, in order to provide funds to the Authority to make the Loans to the Agency as well as for other purposes, the Authority will issue its Sacramento City Financing Authority 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects) (the "Bonds") in the aggregate principal amount of not to exceed \$78,875,000; and

WHEREAS, the Agency also desires to undertake certain additional redevelopment activities within the Two Redevelopment Projects and within the Agency's Richards Boulevard

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038 36

DATE ADOPTED NOV 16 1999

Redevelopment Project, Sacramento Army Depot Redevelopment Project, and North Sacramento Redevelopment Project Area (the Two Redevelopment Projects together with the latter three being referred to herein as the "Five Redevelopment Projects") and the City is willing to advance funds to the Agency (the "Advances") to finance such redevelopment activities within the Five Redevelopment Projects; and

WHEREAS, in order to obtain funds to make the Advances, the City is leasing certain City-owned properties (together, the "City-owned Property") to the Authority and using the proceeds of the Authority's single up-front lease payment for the City-owned Property (the "Authority Lease Payment") to fund the Advances to the Agency; and

WHEREAS, the Authority will fund the Authority Lease Payment with a portion of the proceeds of the Bonds; and

WHEREAS, debt service on the Bonds will be paid in part with the proceeds of lease payments (the "Lease Payments") to be paid by the City in consideration of the leaseback of the City-owned Property by the Authority to the City; and

WHEREAS, the Agency desires to repay the Advances to the City in installments sufficient to meet the City's Lease Payment obligations attributable to the portion of the proceeds of the Bonds used by the City to fund the Advances to the Agency; and

WHEREAS, in order to establish and declare the terms and conditions upon which the Advances are made, secured and repaid, the Agency and the City wish to enter into Advance Repayment Agreements with respect to each of the Five Redevelopment Projects; and

WHEREAS, as a condition precedent to the issuance of the Bonds by the Authority, Section 6586.5 of the Bond Law requires that the Agency approve the proposed financing by the Authority and that the Agency make certain findings with respect to such financing, and Section 6586.5 further requires that such approval be given and findings be made only after noticed public hearing thereon; and

WHEREAS, the Agency has duly held such public hearing after due publication of the notice of time and place of such public hearing and has given such approval and made such findings; and

WHEREAS, the Agency will also use moneys available from the Downtown Project in exchange for portion of the proceeds of the Loans to refund and defease the outstanding 1989 Del Paso Heights Taxable Bonds and the outstanding 1989 Oak Park Taxable Bonds and to repay in full the unpaid portion of the 1993 Series A Bonds Portion of the 1993 Loan; and

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038 37

DATE ADOPTED NOV 16 1999

WHEREAS, Stone & Youngberg (the "Underwriter") has agreed to purchase the Bonds from the Authority in accordance with the provisions of a bond purchase agreement (the "Purchase Contract"), the form of which is on file with the Secretary, and in connection with the offering of the Bonds the Underwriter has caused to be prepared an Official Statement describing the Bonds, a preliminary form of which is on file with the Secretary; and

WHEREAS, the Agency has duly considered the foregoing described transactions and wishes at this time to approve said transactions in the public interests of the Agency;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Redevelopment Agency of the City of Sacramento as follows:

Section 1. Approval of the Loan Agreements. The Loan to be made with respect to the Del Paso Heights Redevelopment Project, Project No. 5, shall not exceed \$10,850,000 and the Loan to be made with respect to the Oak Park Redevelopment Project, Project No. 7, shall not exceed \$19,200,000. The Loans shall be made pursuant to and in accordance with the terms of two separate Loan Agreements with respect to each of the Two Redevelopment Projects, each dated as of December 1, 1999, and each by and among the Agency, the Authority and the City, as trustee (together, the "Loan Agreements"). The Agency hereby approves each of the Loan Agreements in substantially the form on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the insertion of the principal amount of each Loan and the repayment schedule for each Loan) deemed necessary or advisable by the Executive Director (upon advice of Special Agency Counsel), whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director is hereby authorized and directed to execute the final form of each of the Loan Agreements, for and in the name and on behalf of the Agency. The proceeds of the Loans shall be applied by the Agency for the purposes and in the amounts as set forth in the respective Loan Agreements. The Agency hereby authorizes the delivery and performance of the Loan Agreements.

Section 2. Approval of the Advance Repayment Agreements. The Advance to be made to the Del Paso Heights Redevelopment Project, Project No. 5 shall not exceed \$2,845,000, the Advance to be made to the Oak Park Redevelopment Project, Project No. 7 shall not exceed \$2,375,000, the Advance to be made to the Richards Boulevard Redevelopment Project shall not exceed \$6,350,000, the Advance to be made to the Sacramento Army Depot Redevelopment Project shall not exceed \$1,350,000 and the Advance to be made to the North Sacramento Redevelopment Project Area shall not exceed \$5,630,000. Notwithstanding the foregoing, portions of an Advance may be transferred to another redevelopment project area as provided in the Advance Repayment Agreements. The Advances shall be made pursuant to and in accordance with the terms of five separate Advance Repayment Agreements with respect to each of the Five Redevelopment Projects, each dated as of December 1, 1999, and each by and between the Agency and the City (together, the "Advance Repayment Agreements"). The Agency hereby approves each of the Advance Repayment Agreements in substantially the form

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038 38
DATE ADOPTED NOV 16 1999

on file with the Secretary together with any additions thereto or changes therein (including, but not limited to, the insertion of the principal amount of each Advance and the repayment schedule for each Advance) deemed necessary or advisable by the Executive Director (upon advice of Special Agency Counsel), whose execution thereof shall be conclusive evidence of approval of any such additions and changes. The Executive Director is hereby authorized and directed to execute the final form of each of the Advance Repayment Agreements, for and in the name and on behalf of the Agency. The proceeds of the Advances shall be applied by the Agency for the purposes and in the amounts as set forth in the respective Advance Repayment Agreements. The Agency hereby authorizes the delivery and performance of the Advance Repayment Agreements.

Section 3. Sale of Bonds. The Agency hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter, pursuant to the Purchase Contract in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by the Executive Director, whose execution thereto shall be conclusive evidence of approval of any such additions and changes. The Purchase Contract shall be executed in the name and on behalf of the Agency by the Executive Director, who is hereby authorized and directed to execute and deliver to the Underwriter the Purchase Contract on behalf of the Agency; provided, that the Bonds shall bear interest at a true interest cost not to exceed seven and one-half percent (7.50%) per annum and an underwriter's discount of not more than one percent (1%) of the principal amount thereof, plus accrued interest.

Section 4. Official Statement. The sections of the preliminary Official Statement relating to the Agency and the transactions contemplated herein, in the form now on file with the Secretary, are hereby approved, and the Executive Director is hereby authorized to approve the distribution of the preliminary Official Statement in substantially said form and to certify to the Authority on behalf of the Agency that said sections of the preliminary Official Statement are accurate in all material respects, and the Authority is hereby authorized to distribute copies of the preliminary and final Official Statement to persons who may be interested in the purchase of the Bonds.

Section 5. Continuing Disclosure Certificate. The Executive Director is hereby authorized and directed to execute the Continuing Disclosure Certificate for and on behalf of the Agency and to deliver the Continuing Disclosure Certificate to the Underwriter in substantially the form on file with the Secretary, with such additions thereto or changes therein as shall be contained in the form of Continuing Disclosure Certificate appended to the final Official Statement.

Section 6. Approval of Escrow Agreements, Approval of Exchange of Funds. (a) The 1989 Del Paso Heights Tax-Exempt Bonds and the 1989 Del Paso Heights Taxable Bonds shall be refunded and defeased as provided in the 1989 Del Paso Heights Escrow Deposit and Trust

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038
DATE ADOPTED NOV 16 1999 39

Agreement, dated as of December 1, 1999, by and between the Agency and BNY Western Trust Company, as escrow bank (the "1989 Del Paso Heights Escrow Agreement").

(b) The 1989 Oak Park Tax-Exempt Bonds and the 1989 Oak Park Taxable Bonds shall be refunded and defeased as provided in the 1989 Oak Park Escrow Deposit and Trust Agreement, dated as of December, 1, 1999, by and between the Agency and BNY Western Trust Company, as escrow bank (the "1989 Oak Park Escrow Agreement").

(c) The 1993 Loans shall be repaid in full and the applicable portion of the 1993 Series A Bonds and the 1993 Series B Bonds shall be defeased and paid as provided in the 1993 Del Paso Heights Loan Escrow Deposit and Trust Agreement (the "1993 Del Paso Heights Escrow Agreement") and in the 1993 Oak Park Loan Escrow Deposit and Trust Agreement (the "1999 Oak Park Escrow Agreement"), both dated as of December 1, 1999, and both by and among the Agency, the Authority and U.S. Bank Trust National Association, as escrow bank.

(d) The Agency hereby approves the 1989 Del Paso Heights Escrow Agreement, the 1989 Oak Park Escrow Agreement, the 1993 Del Paso Heights Escrow Agreement and the 1993 Oak Park Escrow Agreement (collectively, the "Escrow Agreements") in substantially the form on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Executive Director (upon advice of Special Agency Counsel), whose execution thereof shall be conclusive evidence of approval of any such additions or changes. The Executive Director is hereby authorized and directed to execute the final form of each of the Escrow Agreements, for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Escrow Agreements.

(e) The Agency has heretofore issued its \$13,080,000 principal amount of Redevelopment Agency of the City of Sacramento Merged Downtown Sacramento Taxable Tax Allocation Bonds, Series 1998B (the "1998 Series B Bonds"), the interest on which is not excluded from gross income under applicable federal tax laws. The Agency no longer requires the use of approximately \$5,000,000 of the proceeds of the 1998 Series B Bonds in its Merged Downtown Sacramento Redevelopment Project, but does have a use for such proceeds for purposes of refunding the 1989 Del Paso Heights Taxable Bonds, the 1989 Oak Park Taxable Bonds, the applicable portion of the 1993 Loans attributable to the 1993 Series A Bonds and for additional projects within the Del Paso Heights Redevelopment Project Area and the Oak Park Redevelopment Project Area. Further, the Agency requires the use of an equivalent amount of proceeds of the Loans for projects eligible for financing with such proceeds in its Merged Downtown Sacramento Redevelopment Project. Therefore, the Agency hereby determines to exchange such portion of the proceeds of the 1998 Series Bonds for an equivalent portion of the proceeds of the Loan. The Agency further determines that such exchange will properly accomplish the financing of the Redevelopment Project within the meaning set forth in Section 2.12 of the Indenture of Trust authorizing the 1998 Series B Bonds. The Agency directs the Executive Director to cause the preparation of a Certificate setting forth the final amounts and

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038

DATE ADOPTED NOV 16 1999 40

uses of the proceeds so exchanged and directing the proper and timely transfers of such amounts to accomplish the purposes herein described. An executed copy of such Certificate shall be filed by the Secretary in the proceedings for the issuance of the Bonds and in the proceedings for the issuance of the 1998 Series B Bonds.

Section 7. Official Action. The Chair, the Vice-Chair, the Treasurer, the Secretary, the Executive Director, the Director of Finance, the Agency Counsel and any and all other officers of the Agency are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds, and the making of the Loans pursuant to the Loan Agreements, the making of the Advances pursuant to the Advance Repayment Agreements, the refunding of the Agency bonds and the repayment of the 1993 Loans as described herein. Upon the unavailability of the Executive Director for any reason, each of the foregoing named officers of the Agency are authorized to act on behalf of the Executive Director with respect to any act the Executive Director is herein authorized or directed to take.

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038 41
DATE ADOPTED NOV 16 1999

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.


PASSED AND ADOPTED this 16th day of November, 1999, by the following vote:

AYES: COHN, FARGO, HAMMOND, JONES, KERTH, PANNELL, WATERS, YEE

NOES: --


ABSENT: --

ABSTAIN: --



ACTING CHAIR

ATTEST:



SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO. 99-038 ¹²

DATE ADOPTED NOV 16 1999