

RESOLUTION NO. _____

December 10, 1985

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

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

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

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

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

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

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

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

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

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

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

AYES: Serna, Johnson, Rudin, Robie, Shore, Pope, Kastanis,
Smallman

NOES:

ABSENT: Chinn

ABSTAIN:

Gene Rudin

Chairman, Redevelopment Agency of the
City of Sacramento

ATTEST:

William H. Flynn
Secretary, Redevelopment
Agency of the City of Sacramento

85-109
RESOLUTION No. _____



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



December 10, 1985

Sacramento City Council
Sacramento, California

Honorable Members in Session:

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

SUMMARY

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

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

BACKGROUND

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

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

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

RESOLUTION No. 85-109

DEC 10 1985

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council

December 10, 1985

Page Two

Project Area 5 Competitive Bids

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

Project Area 6 Competitive Bids

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

Project Area 7 Competitive Bids

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

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

FINANCIAL

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

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

RESOLUTION No. S5-109

*See Attachment 1 for calculation

DEC 10 1985

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
December 10, 1985
Page Three

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

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

RECOMMENDATION

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

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

Respectfully submitted,

TABS Pricing Committee

Thomas P. Friery
THOMAS P. FRIERY
City Treasurer

Richard Wolgamott
RICHARD WOLGAMOTT
County Executive's Office.

Terry Wolford
TERRY WOLFORD
SHRA Finance Director

RECOMMENDATION APPROVED:

Walter J. Slupe
WALTER J. SLUPE, City Manager
Attachment (1)

RESOLUTION No. 85-109

December 10, 1985
All Districts

DEC 10 1985

(3)