

June 23, 1998

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

APPROVED
BY THE CITY COUNCIL

JUN 30 1998

OFFICE OF THE
CITY CLERK

Honorable Members in Session:

SUBJECT: AUTHORIZATION TO ADVANCE REFUND A PORTION OF THE REDEVELOPMENT AGENCY'S MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES 1990A; TO ISSUE TAX ALLOCATION BONDS, SERIES 1998C; TO ENTER INTO AGREEMENTS RELATED TO THE BOND REFUNDING AND NEW BOND ISSUANCE; AND TO TAKE OTHER RELATED ACTIONS.

LOCATION & COUNCIL DISTRICT: City

RECOMMENDATION:

Staff recommends approval of the attached resolutions by the City Council and the Redevelopment Agency of the City of Sacramento authorizing actions required to issue bonds in an amount not to exceed \$25 million and to advance refund an additional portion of the Agency's Series 1990A Tax Allocation Bonds. At present market interest rates, the refunding will result in approximately \$1.3 million of present value debt service savings.

CONTACT PERSONS:

Thomas V. Lee, Deputy City Manager 264-6817
Satoshi Matsuda, Agency Director of Administrative Services 440-1370

FOR COUNCIL MEETING OF: June 30, 1998

APPROVED
JUN 3 0 1968
SACRAMENTO DEVELOPMENT AGENCY
OFFICE OF THE DIRECTOR

SUMMARY

This report revises the financing plan approved on March 31, 1998 and recommends authorizing bonds not to exceed \$25 million for the Merged Downtown Sacramento Redevelopment Project Area. The financing will involve the partial refunding of the tax exempt Tax Allocation Bonds (TABS) Series 1990A. The actions should result in an estimated net present value savings of approximately \$1.3 million and reduce total debt service payments by approximately \$1.9 million. The revised financing plan is estimated to increase the potential net present value savings by \$.4 million from the financing plan approved on March 31, 1998. There will be no new project funds in 1998 resulting from the recommended actions.

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BACKGROUND

On March 31, 1998, the City Council approved staff recommendation to proceed with the advance refunding of the Merged Downtown Sacramento Redevelopment Area 1990 Tax Allocation bonds and to issue 1998 and 2000 Tax Allocation bonds and related actions. Since then, the Agency has been successful in completing the first two components of the financing. The \$37.3 million Series A tax-exempt bonds and \$13.1 million of Series B taxable bonds were sold on April 16, 1998. The tax-exempt bonds were serialized through 2013 with yields ranging from 3.6% in 1998 to in 5.05% in 2013. The taxable issue included serial bonds through 2004 and term bonds maturing in 2008 and 2013. Yields on the serial bonds ranged from 5.99% in 1998 through 6.09% in 2004. The 2008 and 2013 term bonds were priced to yield 6.32% and 6.65% respectively. The true interest cost (TIC) for the tax-exempt bonds was 4.97% and for the taxable bonds the TIC was 6.82%.



The financing advance refunded a portion of the Agency's outstanding 1990 Series A Bonds and all of the Agency's outstanding 1990 Series B (taxable) Bonds. Present value savings from the financing totaled \$1,313,642 or 5.96% savings for the tax-exempt bonds and totaled \$458,137 or 7.03% savings for the taxable bonds. The Agency also raised \$17.8 million of new money from the financing. Most of the savings benefits were realized in 1998 and therefore has been made available for projects. The total amount of project funds was \$19.3 million. On May 19, 1998, the City Council approved the projects to be funded as follows:

Esquire Plaza	\$6,000,000
Convention Center Hotel	\$6,500,000
Housing Projects	
Adaptive reuse for market rate housing	\$2,500,000
New ownership housing	\$1,500,000
Rebuilding of an ethnic neighborhood (Ping Yuen site)	\$2,000,000
Waterfront Improvements	\$772,620

As the first two components were being completed, the financing team discovered an additional opportunity to maximize the refinancing savings. The 1990 TABS Series A were issued to finance a new money component and a refunding component. When the original financing plan was approved, \$65,020,000 of the 1990 TABS Series A were outstanding, \$22,050,000 of which were allocated to the new money component and \$42,970,000 of which were allocated to the refunding component. The original financing plan authorized the advance refunding of the new money component of the 1990 TABS Series A and the forward refunding of the refunding component of the 1990 TABS Series A. As bond counsel performed its due diligence on the refunding, they determined that an additional opportunity may exist for additional advance refunding. For the past two months, the financing team has been working on the details. After considerable research into 1985 and 1987 bond documents and accounting records, the financing team determined that up to \$18,695,000 of the refunding component of the 1990 TABS Series (consisting of 1990 TABS Series A allocated to the refunding of the Agency's 1985 TABS) could in fact be refunded through an advance refunding.

The proposed resolution would approve this additional advance refunding, thereby decreasing the amount of the forward refunding by an equivalent amount. Due to the greater efficiency of advance



refundings, at current market interest rates, the revised financing plan is expected to result in increased net present value savings of \$1.3 million and a reduction in total debt service payments of \$1.9 million. The reduced amount of forward refunding will result in a net present value savings of \$.6 million and a reduction in total debt service payments of \$.9 million. The combined anticipated net present value savings of \$1.9 million is \$.4 million greater than the amount identified on March 31, 1998. Attachment I (see page 17) provides an example of how the debt service payment could be reduced in future years. Staff will be analyzing various alternatives to maximize future bonding capacity and net present value savings as we get closer to actual pricing of the bonds.

All numbers presented in this report are subject to change since they are based upon market rates as of June 12, 1998. The financing team has maintained the goal of pursuing refunding opportunities when an average of at least 5% net present value savings has been available.

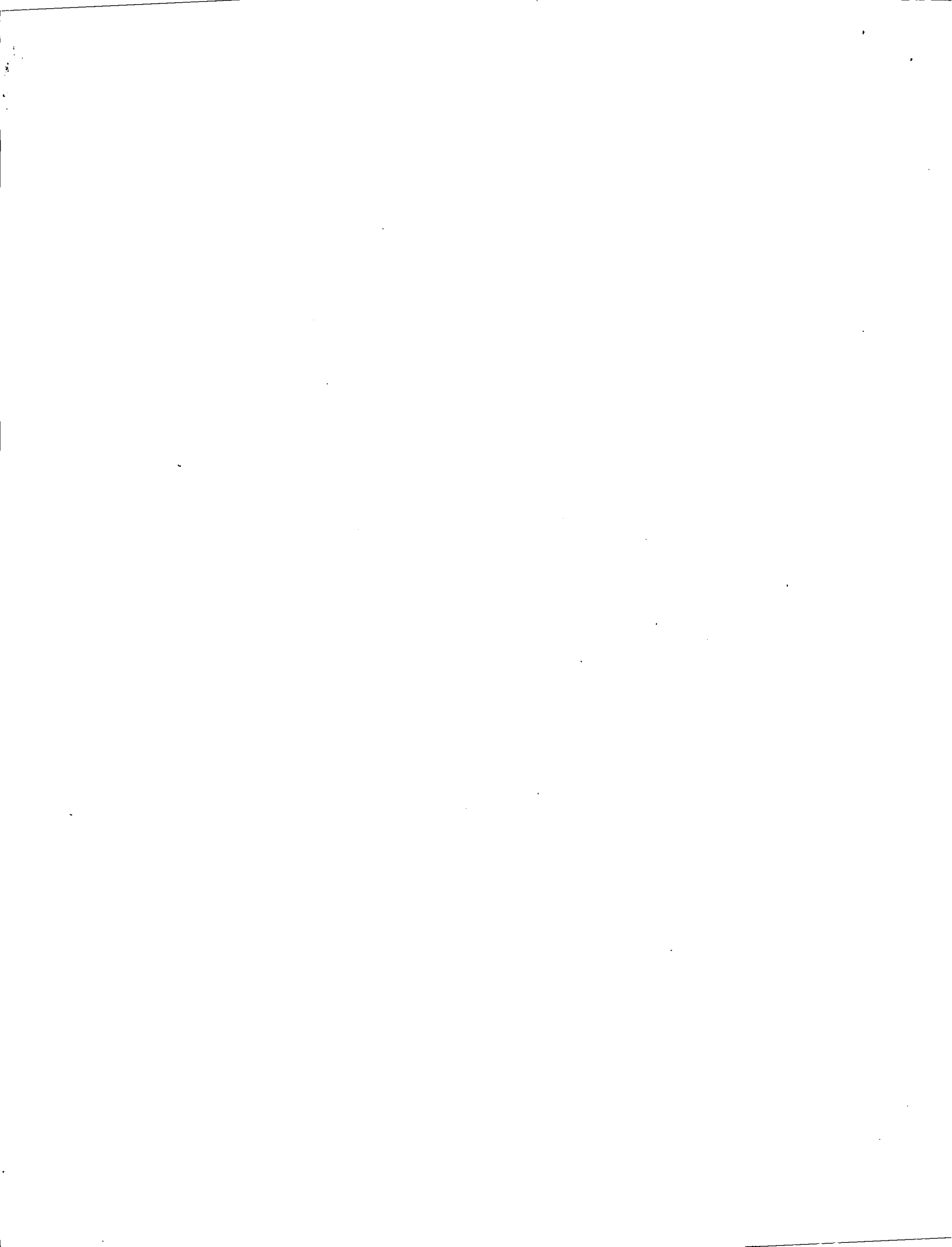
Documents related to the proposed financing as identified below are on file with the City Clerk and Agency Clerk offices:

- Preliminary Official Statements for 1998 Series C
- Indenture and fiscal agent agreement for the 1998 Series C
- Escrow agreement relating to the defeasance of a portion of the Tax Allocation Bonds, Series 1990 A
- Continuing Disclosure Certificate
- Purchase contract with underwriters for 1998 Series C

Financing Team

The financing team and pricing committee members are identified below:

City	Deputy City Manager-Downtown representative City Treasurer's representative*
Agency	Director of Administrative Services*



Bond Counsel	Brown & Wood LLP
Underwriter's Counsel	Jones, Hall, White & Hill
Fiscal Consultant	Katz Hollis
Fiscal Agent	U.S. Bank Trust National Association

* Identifies the pricing committee members

FINANCIAL CONSIDERATIONS

Since 1993, the Merged Downtown Redevelopment Project area has experienced a decline in tax increment revenues. For the 1993 bond issue, Katz Hollis, the fiscal consultant estimated the annual net tax increments for the 1992-93 year to be \$14,787,000. For the 1998 bond issue, Katz Hollis estimates the annual tax increments for the 1997-98 to be \$14,159,000. This represents a decrease of \$628,000, or 4% during the period even though major construction projects (US Bank, Downtown Plaza renovations, and 111 Capitol Mall.) were completed since 1992-93. Attachment I provides a detailed debt service schedule for the proposed financing. The debt service savings resulting from this advanced refunding will help increase the size of the Agency's next new bond issue sometime between the year 2001 and 2004.

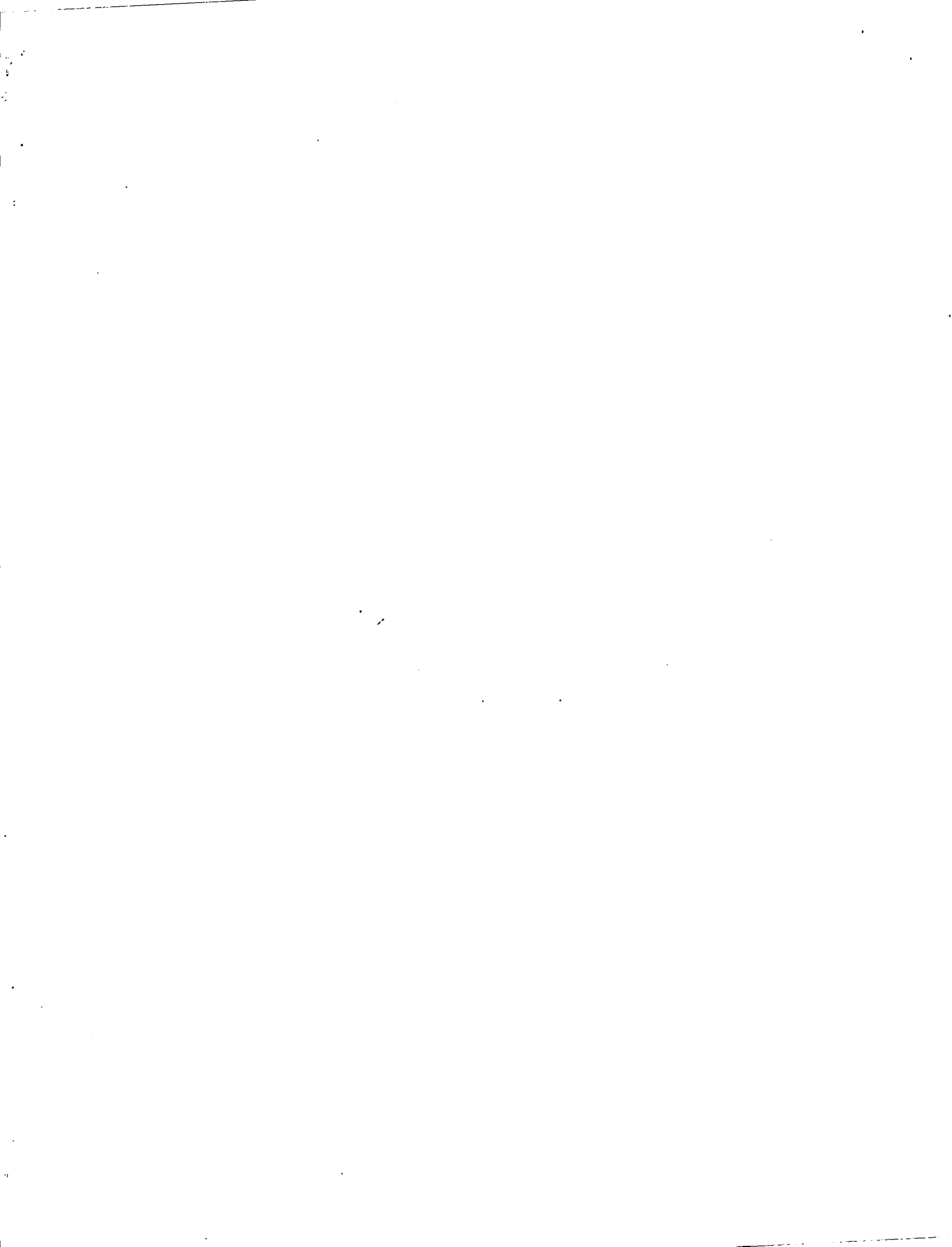
POLICY CONSIDERATIONS

The City Council and Redevelopment Agency have previously been involved with tax increment revenue-based debt financing. No new policy is proposed.

ENVIRONMENTAL REVIEW

The projects areas were subject to environmental review at the time of their adoption. Projects undertaken within the project areas are subject to environmental review individually.

Per CEQA Guidelines, Section 15180, the actions recommended by this report are pursuant to and



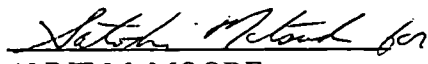
City Council and Redevelopment Agency
of the City of Sacramento
June 22, 1998
Page 6

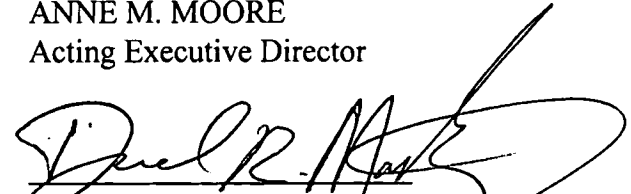
in furtherance of the adopted redevelopment plans, and do not result in new environmental impacts which require further environmental documentation.

M/WBE CONSIDERATIONS

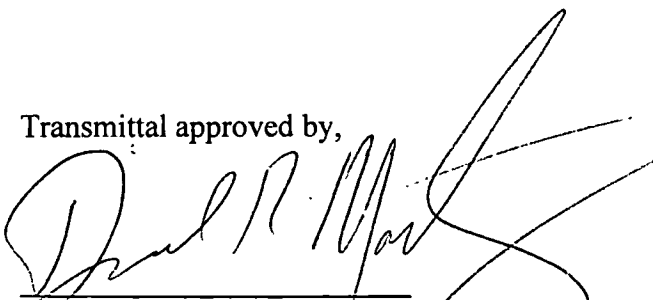
There are no M/WBE considerations associated with this report.

Respectfully submitted by,


ANNE M. MOORE
Acting Executive Director


THOMAS V. LEE
Deputy City Manager

Transmittal approved by,


WILLIAM H. EDGAR
City Manager

for

for





RESOLUTION NO. 98-031

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF CITY OF SACRAMENTO AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$25,000,000 PRINCIPAL AMOUNT OF THE AGENCY'S MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES 1998 C; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE AND FISCAL AGENT AGREEMENT, A BOND PURCHASE CONTRACT, A CONTINUING DISCLOSURE CERTIFICATE, AN ESCROW DEPOSIT AND TRUST AGREEMENT, AND AN OFFICIAL STATEMENT WITH RESPECT TO SUCH BONDS; AND AUTHORIZING AND APPROVING RELATED ACTIONS

WHEREAS, the Agency is a redevelopment agency (a public body, corporate and politic) 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 of the Health and Safety Code of the State of California) (the "Law") and the powers of the Agency include the power to issue bonds and notes; and

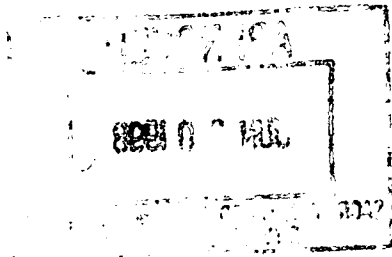
WHEREAS, a redevelopment plan for a redevelopment project known and designated as the "Merged Downtown Sacramento Redevelopment Project", including amendments thereto (the "Redevelopment Plan"), has been adopted and approved, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan have been duly complied with; and

WHEREAS, the Agency has previously issued \$78,435,000 principal amount of its Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1990 A (the "1990 Bonds") and \$37,330,000 principal amount of its Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1998 A (the "1998 A Bonds"); and

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DATE ADOPTED: _____



1957-1958

WHEREAS, a portion of the proceeds of the 1998 A Bonds were used to advance refund a portion of the 1990 Bonds; and

WHEREAS, pursuant to its Resolution No. 98-013, adopted on March 31, 1998 (the "Prior Resolution"), the Agency has previously authorized the issuance of its Merged Downtown Sacramento Redevelopment Project Variable Rate Subordinated Tax Allocation Bonds, Series 2000 A (the "2000 Bonds") for the purpose of refunding on or about November 1, 2000 that portion of the 1990 A Bonds maturing on and after November 1, 2001 that has not been advance refunded with the proceeds of the 1998 A Bonds; and

WHEREAS, the Agency has determined that it is in the Agency's best interest to issue its Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1998 C (the "1998 C Bonds") for the purpose of advance refunding a portion of the 1990 Bonds that has not been advance refunded with the proceeds of the 1998 A Bonds, thereby reducing the amount of 2000 Bonds required to be issued; and

WHEREAS; the Agency has determined that it is in the Agency's best interest to sell the 1998 C Bonds to Merrill Lynch & Co., Stone & Youngberg LLC, E.J. De La Rosa & Co., Inc., Sutter Securities Incorporated, and M.R. Beal & Company (collectively, the "Underwriters"), pursuant to a Purchase Contract by and between the Underwriters and the Agency; and

WHEREAS, the Agency has had submitted to it and has considered the following:

- (1) A form of an Indenture and Fiscal Agent Agreement related to the 1998 C Bonds, dated as of July 1, 1998 (the "Indenture"), between the Agency and U.S. Bank Trust National Association, as fiscal agent (the "Fiscal Agent");
- (2) A form of a Purchase Contract, to be dated its date of execution (the "Purchase Contract"), by and between the Underwriters and the Agency related to the purchase of the 1998 C Bonds by the Underwriters;
- (3) A form of an Escrow Agreement, dated as of July 1, 1998 (the "Escrow Agreement"), by and between the Agency and U.S. Bank Trust National Association, as Escrow Agent, relating to the defeasance of the 1990 Bonds to be advance refunded with proceeds of the 1998 Bonds;
- (4) A form of a Continuing Disclosure Certificate related to the 1998 C Bonds (the "Continuing Disclosure Certificate"), to be executed and delivered by the Agency on the date of original issuance of the 1998 C Bonds; and

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RESOLUTION NO.: _____

DATE ADOPTED: _____

- (5) A form of a Preliminary Official Statement related to the 1998 C Bonds; and

WHEREAS, all acts, conditions and things required by the Law and all other laws of the State of California to exist, to have happened, and to have been performed precedent to and in connection with the issuance of the 1998 C Bonds exist, have happened, and have been performed as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the 1998 C Bonds for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1 **Recitals True and Correct.** The Agency does hereby find and declare that the above recitals are true and correct.

Section 2. **Approval of Indenture; 1998 C Bonds Constitute Special Obligations of the Agency.** The Indenture, in substantially the form submitted to this meeting, is hereby approved, and the Executive Director or the Acting Executive Director of the Agency (the "Executive Director") or any designee of the Executive Director is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Agency, the Indenture in substantially said form, with such additions, changes and corrections as said officers may approve upon consultation with Agency Counsel and Bond Counsel, such approval to be conclusively evidenced by the execution of the Indenture with such additions, changes or corrections.

The Executive Director and the Clerk of the Agency are hereby authorized and directed to execute, and the Fiscal Agent is hereby authorized and directed to authenticate, the 1998 C Bonds in substantially the form set forth in the Indenture as finally executed, and the Fiscal Agent is hereby authorized and directed to deliver the 1998 C Bonds in accordance with the Purchase Contract. The dated dates, maturity dates, interest rate or rates, interest payment dates (including provisions for capital appreciation bonds (if any), manner and place of payment, registration privileges, manner of execution, terms of redemption, and other terms of the 1998 C Bonds shall be as provided in the Indenture as finally executed; provided, however, that (a) the aggregate principal amount of the 1998 C Bonds shall not exceed \$25,000,000, the true interest cost on the 1998 C Bonds shall not exceed 5.5% per annum, and the final maturity of any 1998 C Bond shall not be later than November 1, 2013.

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DATE ADOPTED: _____

The 1998 C Bonds shall be the special obligation of the Agency secured by an irrevocable pledge of, and payable as to principal and interest from, Pledged Tax Revenues (as defined in the Indenture) and other funds as provided in the Indenture. Neither the 1998 C Bonds nor the interest thereon, nor any redemption premiums payable with respect thereto, shall constitute a debt of the City of Sacramento, the State of California or any of its political subdivisions and neither the City of Sacramento, the State of California nor any of its political subdivisions is liable thereon, nor in any event shall the principal, premium or interest with respect to the 1998 C Bonds be payable out of any funds or properties other than those of the Agency as set forth in the Indenture. Neither the members of the Agency nor any persons executing any 1998 C Bond are liable personally on any 1998 C Bond by reason of their execution or delivery.

The validity of the 1998 C Bonds is not and shall not be dependent upon the completion of the Redevelopment Plan or upon the performance by anyone or his or her obligation relative to the Redevelopment Plan.

Section 3. Appointment of Underwriters; Approval of Purchase Contract.

Merrill Lynch & Co., Stone & Youngberg LLC, E.J. De La Rosa & Co., Inc., Sutter Securities Incorporated, and M.R. Beal & Company are hereby appointed to act as Underwriters in connection with the delivery and negotiated sale of the 1998 C Bonds. The Purchase Contract, in substantially the form submitted to this meeting, is hereby approved. The sale and delivery of the 1998 C Bonds is hereby authorized and approved, subject to the conditions set forth below, and the Executive Director or any designee of the Executive Director is hereby authorized and directed to effect such sale and delivery in accordance with this Resolution and the Purchase Contract. The Executive Director or any designee of the Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Underwriters the Purchase Contract in substantially said form, with such changes therein as such official may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (i) the underwriting discount with respect to the 1998 C Bonds (exclusive of any original issue discount) shall not exceed 1.0% and (ii) the other limitations set forth in Section 2 of this Resolution shall be satisfied.

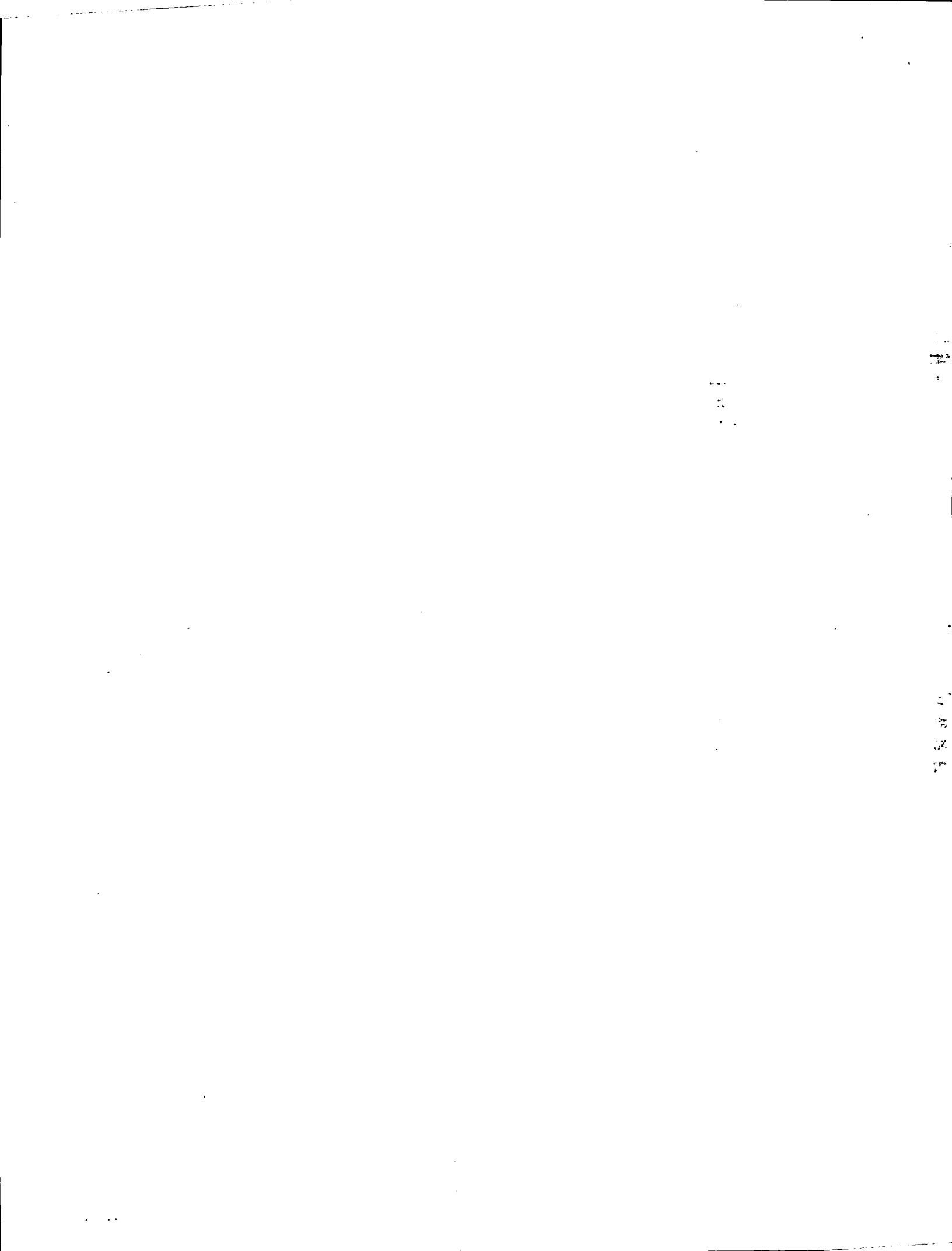
Section 4. Official Statement.

The Preliminary Official Statement, in substantially the form submitted to this meeting, is hereby approved, and the Executive Director or any designee of the Executive Director is hereby authorized to approve the distribution of the Preliminary Official Statement in substantially said form and to certify to the Underwriters on behalf of the Agency that the Preliminary Official Statement is, as of its date, "deemed final" by the Agency 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).

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RESOLUTION NO.: _____

DATE ADOPTED: _____



The Executive Director or any designee of the Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Underwriters the final Official Statement, which shall be in substantially the form of the Preliminary Official Statement with such additions thereto or changes therein as such official shall approve, such approval to be conclusively evidenced by the execution and delivery thereof, and the Underwriters are hereby authorized to distribute the Official Statement to persons who may be interested in the purchase of the 1998 C Bonds, and the Underwriters are directed to deliver a copy of the Official Statement to all actual purchasers of the 1998 C Bonds.

Section 5. Approval of Other Agreements Related to the 1998 C Bonds. The Escrow Agreement and the Continuing Disclosure Certificate, in substantially the forms submitted to this meeting, are hereby approved, and the Executive Director or any designee of the Executive Director is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Agency, the Escrow Agreement and the Continuing Disclosure Certificate in substantially said forms, with such additions, changes and corrections as said official may approve upon consultation with Agency Counsel and Bond Counsel, such approval to be conclusively evidenced by the execution thereof with such additions, changes or corrections.

Section 6. Municipal Bond Insurance Policy; Reserve Fund Surety. The Executive Director or any designee of the Executive Director is hereby authorized (a) to negotiate and procure a municipal bond insurance policy and/or a reserve fund surety policy for the 1998 C Bonds, (b) to execute and deliver a commitment to issue any such municipal bond insurance policy and/or reserve fund surety policy, and (c) to execute and deliver a reimbursement agreement or guaranty agreement in connection with any such municipal bond insurance policy and/or reserve fund surety policy. The Executive Director or such designee, upon consultation with Agency Counsel and Bond Counsel, is hereby authorized to negotiate such additional covenants and agreements to be observed by the Agency as may be required by the provider of such municipal bond insurance policy, reserve fund surety policy, or commitment, and such covenants and agreement shall be reflected in the Indenture or in such other documents as may be necessary or appropriate.

Section 7. Additional Actions. The officers of the Agency are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to constitute the issuance, sale and delivery of the 1998 C Bonds and otherwise to effectuate the purposes of this resolution, including without limitation, executing and delivering documents required to be delivered pursuant to the Purchase Contract and the obtaining of a municipal bond insurance policy, a reserve fund surety policy, or a commitment to issue a municipal bond insurance policy or reserve fund surety policy with respect to the 1998 C Bonds, and such actions previously taken by such officers are hereby ratified and approved.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 8. **Effective Date.** This resolution shall take effect immediately upon its passage.

Chair

ATTEST:

Secretary

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
BY THE CITY COUNCIL

JUN 30 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-313

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SACRAMENTO APPROVING THE ISSUANCE BY THE REDEVELOPMENT
AGENCY OF THE CITY OF SACRAMENTO OF ITS MERGED DOWNTOWN
SACRAMENTO REDEVELOPMENT PROJECT TAX ALLOCATION BONDS, SERIES
1998 C AND MAKING CERTAIN DETERMINATIONS RELATED 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 for a redevelopment project known and designated as "Merged Downtown Sacramento Redevelopment Project," including amendments thereto (the "Redevelopment Plan"), has been adopted and approved, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan have been duly complied with; and

WHEREAS, the Agency has authorized the issuance and sale of its Merged Downtown Sacramento Redevelopment Project Tax Allocation Bonds, Series 1998 C in an aggregate principal amount not exceeding \$25,000,000 (the "Bonds").

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RESOLUTION NO.: _____

DATE ADOPTED: _____

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

Section1. **Approval of Issuance of Bonds.** The issuance of the Bonds for the purpose of providing for the financing and refinancing of certain parts of the Redevelopment Plan and for other purposes related thereto, all of which constitute a "redevelopment activity," as such term is defined in Health and Safety Code Section 33640, is hereby approved.

Section2. **Effective Date.** This Resolution shall take effect upon adoption.

Mayor

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

SACRAMENTO HOUDING AND REDEVELOPMENT AGENCY
1990 Series A Bonds
Allocation of Refundable Bonds

Date	Outstanding 1990 Bonds	Original Calculation		Alternative Calculation		Additional Bonds Available to Refund		Call Date
		Advance	Non-Advance	Advance	Non-Advance	Advance	Non-Advance	
11/1/98	2,410,000	810,000	1,600,000	1,515,000	895,000	705,000	895,000	
11/1/99	2,565,000	870,000	1,695,000	1,600,000	965,000	730,000	965,000	
11/1/00	2,730,000	920,000	1,810,000	1,715,000	1,015,000	795,000	1,015,000	
11/1/01	2,910,000	0	2,910,000	0	2,910,000	0	2,910,000	
11/1/02	3,110,000	0	3,110,000	0	3,110,000	0	3,110,000	
11/1/03	3,315,000	0	3,315,000	0	3,315,000	0	3,315,000	
11/1/04	3,540,000	0	3,540,000	0	3,540,000	0	3,540,000	
11/1/05	3,780,000	0	3,780,000	0	3,780,000	0	3,780,000	
11/1/06	4,035,000	1,930,000	2,105,000	3,565,000	470,000	1,635,000	470,000	
11/1/07	4,295,000	2,050,000	2,245,000	3,795,000	500,000	1,745,000	500,000	
11/1/08	4,575,000	2,190,000	2,385,000	4,045,000	530,000	1,855,000	530,000	
11/1/09	4,875,000	2,330,000	2,545,000	4,305,000	570,000	1,975,000	570,000	
11/1/10	5,190,000	2,480,000	2,710,000	4,585,000	605,000	2,105,000	605,000	
11/1/11	5,530,000	2,650,000	2,880,000	4,885,000	645,000	2,235,000	645,000	
11/1/12	5,890,000	2,820,000	3,070,000	5,200,000	690,000	2,380,000	690,000	
11/1/13	6,270,000	3,000,000	3,270,000	5,535,000	735,000	2,535,000	735,000	
	65,020,000	22,050,000	42,970,000	40,745,000	24,275,000	18,695,000	24,275,000	

ATTACHMENT I

SUMMARY OF REFUNDING RESULTS

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, CA
Merged Downtown Refunding, Series ~~KL~~
*** REFUNDING OF CALLABLE BONDS ONLY ***
(Insured Market Rates as of Thursday, June 11, 1998)

Dated Date	07/01/1998
Delivery Date	07/01/1998
Arbitrage yield	4.878972%
Escrow yield	4.878904%
Bond Par Amount	17,725,000.00
True Interest Cost	4.957205%
Net Interest Cost	4.845846%
Average Coupon	4.892671%
Average Life	11.614
Par amount of refunded bonds	16,465,000.00
Average coupon of refunded bonds	6.500000%
Average life of refunded bonds	12.160
PV of prior debt to 07/01/1998 @ 4.878972%	19,049,778.06
Net PV Savings	1,311,944.86
Percentage savings of refunded bonds	7.968083%
Percentage savings of refunding bonds	7.401664%

SAVINGS

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, CA

Merged Downtown Refunding, Series #C

*** REFUNDING OF CALLABLE BONDS ONLY ***

(Insured Market Rates as of Thursday, June 11, 1998)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/01/1998 @ 4.8789722%
11/01/1998	535,112.50	497,124.17	37,988.33	37,382.81
11/01/1999	1,070,225.00	948,602.50	121,622.50	116,529.23
11/01/2000	1,070,225.00	949,897.50	120,327.50	109,928.42
11/01/2001	1,070,225.00	950,897.50	119,327.50	103,945.09
11/01/2002	1,070,225.00	946,592.50	123,632.50	102,589.43
11/01/2003	1,070,225.00	946,342.50	123,882.50	98,004.34
11/01/2004	1,070,225.00	950,842.50	119,382.50	90,125.53
11/01/2005	1,070,225.00	949,842.50	120,382.50	86,637.78
11/01/2006	2,705,225.00	2,583,592.50	121,632.50	83,448.03
11/01/2007	2,708,950.00	2,585,342.50	123,607.50	80,640.14
11/01/2008	2,705,525.00	2,582,592.50	122,932.50	76,281.73
11/01/2009	2,704,950.00	2,583,122.50	121,827.50	71,832.26
11/01/2010	2,706,575.00	2,587,477.50	119,097.50	66,724.99
11/01/2011	2,699,750.00	2,579,997.50	119,752.50	63,709.00
11/01/2012	2,699,475.00	2,575,727.50	123,747.50	62,492.68
11/01/2013	2,699,775.00	2,578,977.50	120,797.50	57,921.97
	29,656,912.50	27,796,971.67	1,859,940.83	1,308,193.44

Savings Summary

PV of savings from cash flow	1,308,193.44
Plus: Refunding funds on hand	3,751.42
Net PV Savings	<u>1,311,944.86</u>



BOND PRICING

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, CA
 Merged Downtown Refunding, Series B C
 *** REFUNDING OF CALLABLE BONDS ONLY ***
 (Insured Market Rates as of Thursday, June 11, 1998)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	11/01/1998	210,000	3.700%	3.650%	100.009
	11/01/1999	95,000	3.900%	3.850%	100.060
	11/01/2000	100,000	4.000%	3.950%	100.106
	11/01/2001	105,000	4.100%	4.050%	100.149
	11/01/2002	105,000	5.000%	4.150%	103.333
	11/01/2003	110,000	5.000%	4.200%	103.781
	11/01/2004	120,000	5.000%	4.300%	103.839
	11/01/2005	125,000	5.000%	4.350%	104.037
	11/01/2006	1,765,000	5.000%	4.450%	103.788
	11/01/2007	1,855,000	5.000%	4.500%	103.770
	11/01/2008	1,945,000	4.600%	4.550%	100.402
	11/01/2009	2,035,000	4.700%	4.650%	100.430
	11/01/2010	2,135,000	4.800%	4.750%	100.456
	11/01/2011	2,230,000	4.900%	4.850%	100.480
	11/01/2012	2,335,000	5.000%	4.950%	100.502
	11/01/2013	2,455,000	5.050%	5.000%	100.524
		17,725,000			

Dated Date	07/01/1998	
Delivery Date	07/01/1998	
First Coupon	11/01/1998	
Par Amount	17,725,000.00	
Premium	216,036.75	
Production	17,941,036.75	101.218825%
Underwriter's Discount	(119,643.75)	(0.675000)
Purchase Price	17,821,393.00	100.543825%
Accrued Interest	-	
Net Proceeds	17,821,393.00	

