Item No. 17

Supplemental Material

For

City of Sacramento

City Council
Housing Authority
Redevelopment Agency
Economic Development Commission
Sacramento City Financing Authority

Agenda Packet

Submitted: 11/17/06

For the Meeting of:

- ☐ Additional Material
- ☒ Revised Material

Subject:

Revisions from the Attorney's office Friday afternoon (11/17/06)

Contact Information: Janelle Gray

Please include this supplemental material in your agenda packet. This material will also be published to the City's Intranet. For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604 – (916) 808-7200.

Report Transmittal Form

MEETING DATE: 11-21-2006 ☒ **2:00 p.m.** ☐ **7:00 p.m.**

Title: 2006 Capital Improvement Revenue Bonds, Series C, D, & E Richards Blvd. / Refunds

Presenting to the following Legislative Bodies:

☒ City Council	☒ Financing Authority
☒ Redevelopment Agency	☐ Economic Development Commission
☐ Housing Authority	☐ Other

Type of Report: (check below)

☐ Administrative Matters	☒ Public Hearing	☐ Information
☐ Special Presentation	Noticing completed:	☐ Regional
☐ Consent	☐ Staff	

Special Requirements: (check below)

☐ Majority Vote	☐ Color Inserts (30 sets)
☐ 2/3 Vote	☐ VHS-DVD Presentation
☐ Suspend Competitive Bidding	☐ PowerPoint Presentation
☐ Other	☒ Material On File in Clerks Office

Report Review

Fiscal Impact:

- ☐ Budget Change?
- ☒ General Fund
- ☐ Other Fund
- ☒ Fund Number(s) 715 &716
- ☐ Change FTE?

Budget Office Review

☐ Yes	☐ No	Resolution
☐ Yes	☐ No	Budget Impact
☐ Yes	☐ No	EB/RB Needed

Policy Issues:

- ☐ Emerging Small Business Development Issues: (ESBD) Note on Report
- ☐ Environmental Issues: Note on Report
- ☐ Legal Issues: Note on Report
- ☐ Other:

Budget Office Comments:

Other Comments:

Department:	City Treasurer's Office	**Division:**	Finance
Report Author/Contact:	Janelle Gray	**Phone**	808-8296
Report Coordinator	Nora Weins	**Phone:**	808-5168

Department Code: For Department Use

REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Public Hearing
November 21, 2006

Honorable Mayor and
Members of the City Council

Title: Issuance of 2006 Capital Improvement Revenue Bonds (CIRBs), Series C, D and E (Richards Boulevard Acquisition and Refunding)

Location/Council District: 300 Richards Blvd./Council District 1/Citywide

Recommendation: Conduct a public hearing and adopt 1) a City Resolution a) approving the proposed financing determining that there are significant public benefits b) a City Resolution authorizing the execution and delivery of amendments to the Leases, Purchase Contract, Continuing Disclosure Certificate, distribution of the Preliminary Official Statement and approving certain other actions in connection therewith; c) a City Resolution approving the 2006 Capital Improvement Revenue Bonds Project, Series C, D & E and establishing the Revenue and Expenditure Budget; 2) a Financing Authority Resolution authorizing the issuance, and execution and delivery of amendments to Leases, Indenture, Purchase Contract, distribution of a Preliminary Official Statement and approving certain other actions in connection therewith; and 3) a Redevelopment Agency Resolution authorizing the execution and delivery of an amendment to the Richards Boulevard and Merged Downtown Advance Repayment Agreements and approving certain other actions in connection therewith.

Contact: Thomas P. Friery, City Treasurer, 808-5168; Janelle Gray, Public Finance and Banking Manager, 808-8296

Presenter: Janelle Gray

Department: City Treasurer's Office

Division: Public Finance & Banking

Organization No: 0900

Description/Analysis

Issue: Authorize the issuance of approximately $33.5 million in 2006 CIRBs Series C & D lease revenue bonds to finance the acquisition of 300 Richards Boulevard Building Acquisition Project, and authorize the issuance of approximately $233.3 million in 2006 CIRBs Series E refunding of outstanding bonds to achieve a present value savings of not less than an aggregate of 4.5%.

Policy Considerations: The Richards Boulevard site is approximately 11.46 acres; 6.02 acres of which include the building and associated surface parking, and 5.44 acres that are undeveloped. The bonds associated with the 5.44 acres of undeveloped land are proposed to be structured as taxable. This taxable component, estimated at $5.3 million, will provide the flexibility in the use of the vacant land and therefore, will not be hindered by the limitations associated with the use of tax-exempt proceeds. Approximately $2.3 million of this amount will be from the transfer of funds from the Richards Boulevard Redevelopment Area, thus transferring the payment obligation from the Redevelopment Agency to the City. The acquisition of the Richards Boulevard site by the City will remove it from the property tax roll thereby reducing the tax increment funds available to service the obligation. Transfer of the repayment obligation will mitigate the impact of the loss of the tax increment, as well as provide for the reduction in the amount of bonds required to be issued by the City.

Current interest rates provide the opportunity to refinance outstanding bonds associated with the 2001, 2002, and 2003 Capital Improvement Revenue Bonds resulting in a savings to the City. While the actual savings will not be known until the bonds are actually priced, the City Treasurer will seek to achieve a present value savings of not less than an aggregate of 4.5%.

The associated agreements and documents are on file with the City Clerk's Office. While they have not been signed by the City Attorney's Office as "approved as to form," they have been reviewed by the City Attorney's Office, are in substantially final form, and will be executed after the bonds are priced and appropriate updates completed.

Environmental Considerations: The City Council's action in adopting the resolution is solely for the purpose of issuing bonds. Such action is not subject to the provisions of the California Environmental Quality Act (CEQA).

Rationale for Recommendation: Approval of the recommended actions authorizes the issuance of bonds to provide funds for the purpose of financing the 300 Richards Boulevard Building Acquisition Project for significant public benefits to the citizens of the City. Additionally, current interest rates provide for the opportunity to refinance certain outstanding bonds, which will result in a savings to the City. Combining the new money component of Richards Boulevard Acquisition Project with the proposed refinancing provides efficiencies in the financing expenses associated with the issuance of the bonds.

Financial Considerations: The annual debt service associated with the 2006 CIRBs, Series C & D lease revenue bonds (Richards Boulevard acquisition) is estimated at $2.2 million, including the $2.3 million associated with the assumption of the Richards Boulevard Redevelopment Project Area taxable bonds. The source of repayment of the

2006 CIRBs, Series C & D, will be the reallocation of funds originally budgeted for costs associated with jail booking fees, which as a result of the State's budget process are no longer needed, the reallocation of lease payments for space vacated when the building is occupied, and the reallocation of other service and supply savings. As a lease revenue bond, the debt service is subject to annual appropriation by the City Council.

Current projections associated with the 2006 CIRBs, Series E refunding component estimates a net present value savings of $13.7 million over the life of the 30-year bonds, which equates to an estimated present value savings of 6.22%, based upon market rates as of November 14, 2006. Actual numbers will not be known until the bond pricing date, currently scheduled for November 29, 2006.

Emerging Small Business Development (ESBD): City Council adoption of the attached resolution is not affected by City policy related to the ESBD Program.

Respectfully Submitted and Approved by: _____
Janelle Gray, Public Finance & Banking Mgr.

Recommendation Approved:

_____
Thomas P. Friery
City Treasurer

Table of Contents:

Report Pg 1

Attachments

1. Background Pg 5
2. City Resolution- Determining Public Benefit Pg 8
3. City Resolution Authorizing Issuance, Sale and Delivery of 2006 Capital Improvement Revenue Bonds Pg 11
4. City Resolution Approving Proposed Revenue & Expenditure Budget Pg 16
   Exhibit A- Revenue & Expenditure Budget Pg 18
5. Finance Authority Resolution Authorizing Execution and Delivery of Amendments to Leases Pg 19

6. Redevelopment Agency Resolution Authorizing Amendment to Richards Blvd. Advance Repayment Agreement Pg 24
7. Bond Documents
Preliminary Official Statement Pg 27
Continuing Disclosure Certificate Pg 27
Indenture Pg 27
Seventh Amendment to Master Project Lease Pg 27
Sixth Amendment to Master Site Lease Pg 27
Purchase Agreement Pg 27

Attachment 1

Background:

Staff is recommending that City Council authorize the sale of $33.5 million to finance the acquisition of 300 Richards Boulevard Building Acquisition Project, as well as consider the refinancing of several series of outstanding bonds that would result in a savings to the City. Cost efficiencies are created by combining the Richards Boulevard Building Acquisition Project and the potential refinancing of outstanding bonds.

2006 CIRBs, Series C & D (Richards Boulevard Building Acquisition Project)

Staff is recommending City Council approve the actions necessary for the sale of lease revenue bonds to finance the acquisition of 300 Richards Boulevard, commonly know as Discovery Centre. Discovery Centre is comprised of a 3-story, Class A office building, situated on approximately 6.02 acres, served by more than 540 surface parking spaces. It contains more than 150,000 gross square feet. In addition to the office building and related parking area, there are 5.44 acres of adjacent vacant land, which may be used in the future for further development.

The cost of funding the 300 Richards Boulevard Acquisition Project is estimated at $35 million, which includes $19 million of the building and parking area, $4.5 million for the vacant land, and approximately $11.5 million for tenant improvements and staff relocation.

Prior Council Action

- On September 19, 2006, City Council adopted the Downtown Space Planning Guiding Principles, which stated that adequate facilities will be provided for all employees and authorized growth, whereby first consideration will be given to locating City functions in City-owned rather than leased facilities. City Council would also consider opportunities for public/private shared facilities. City Council also asked that strategies related to future growth be brought back to Council for consideration.

- On November 14, 2006, City Council authorized the City Manager to execute the Lease Agreement and Option to Purchase Agreement with Richards Boulevard Partners and the Second Richards Boulevard Partnership.

- On November 21, 2006, recommendation was made that City Council authorize the City Manager to execute the Option to Purchase Agreement with Richard Boulevard Partners and the Second Richard Boulevard Partnership to acquire 300 Richards Boulevard.

Financing

The overall cost of the financing will be $35.8 million, which includes $33 million in net project funds and $510 thousand in estimated bonds costs (reserve fund, cost of issuance, bond insurance, and underwriter discount), plus $2.3 million from the 2006 CIRB Series B taxable bonds. The Series C bonds in an amount of $30.5 million will be structured as tax-exempt and will be used to acquire the 6.02 acre building site and related parking area, as well as associated tenant improvements and staff relocations, etc. associated with the Downtown Space Planning project; the Series D bonds, in an amount of $3.0 million, will be structured as taxable and used to fund the acquisition of the remaining 5.44 acres of vacant land. In addition, $2.3 million will be reallocated to the City from the 2006 CIRB Series B Taxable Bonds associated with the Richards Boulevard Redevelopment Area. This transfer of the Series B bond proceeds is mutually beneficial to the City and Sacramento Housing and Redevelopment Agency (SHRA). The purchase of the project site by the City will impact the tax increment that was projected to service the Series B debt associated with the Richards Boulevard Redevelopment Area, thus preserving the debt capacity structure for the area and enabling the City to reduce the amount of funds borrowed with the 2006 CIRB Series C & D by $2.3 million.

The use of the taxable bonds to acquire the vacant land provides the flexibility to maximize the utilization of the vacant land without the limitations and restrictions associated with tax-exempt bonds.

2006 CIRBs, Series E (Refunding)

The Office of the City Treasurer is responsible for the management of over $2.0 billion in outstanding bonds. One component of this responsibility is monitoring the opportunities to save money on existing issues. In current market conditions, the City may be able to generate savings by refunding some or all maturities of several series of outstanding bonds. Refunding is the process whereby an old debt obligation is replaced by a new one, usually in order to take advantage of lower interest rates. This is not unlike refinancing a home mortgage.

In July 2005, the City refinanced $173.4 million in outstanding bonds for a present value savings of 4.6% (2005 Refunding). Analysis indicates that additional savings could be generated by refunding portions of the $436 million in bonds that were issued under the financings listed below.

- 2001 Capital Improvement Revenue Bonds, which were originally issued in April 2001, in the principal amount of $206.8 million and funded various water system improvements, including the Sacramento River Intake and Expansion projects and the E.A. Fairborn Intake and Expansion projects; a small component, approximately $3+ million funded various Golf Course improvements. In 2005 approximately $61.1 million

was refunded. It is estimated that remaining amount of approximately $145.7 million may be refinanced.

- 2002 Capital Improvement Revenue Bonds, which were originally issued in July 2002, in the principal amount of $160.5 million and funded the construction and renovation of the new and historic City Hall, as well as other City projects including the Arena Boulevard Interchange, fire stations, and acquisition of parkland. Approximately $30 million funded redevelopment activities for the Agency's Merged Downtown and Stockton Boulevard areas. In 2005 approximately $32.9 million was refunded. It is estimated that approximately $50 million will be refinanced with a remaining amount of $77.6 million.

- 2003 Capital Improvement Revenue Bonds, which were originally issued in September 2003, in the principal amount of $68.4 million and funded the construction and acquisition of the 911 Call Center, North Area Corporation Yard, and various North Natomas improvements including the Fire Station, Library, and Regional Park. The 2003 bonds were not included in the 2005 Refunding; it is estimated that approximately $34 million may be refinanced.

The sale of the bonds is projected for early November 29, 2006 and closing on December 12, 2006.

Attachment 2

RESOLUTION NO. 2006-____

Adopted by the Sacramento City Council

APPROVING THE PROPOSED FINANCING OF THE 300 RICHARDS BOULEVARD BUILDING ACQUISITION PROJECT AND REFUNDING OF CERTAIN PRIOR BONDS BY THE SACRAMENTO CITY FINANCING AUTHORITY'S ISSUANCE OF THE SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES C (300 RICHARDS BOULEVARD BUILDING ACQUISITION), SACRAMENTO CITY FINANCING AUTHORITY 2006 TAXABLE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES D (300 RICHARDS BOULEVARD BUILDING ACQUISITION) AND SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES E (MASTER LEASE PROGRAM FACILITIES); AND DETERMINING THAT THERE ARE SIGNIFICANT PUBLIC BENEFITS TO THE CITIZENS OF THE CITY FROM THE PROPOSED FINANCING

BACKGROUND:

A. The City of Sacramento (the "City") proposes to enter into one or more Amendments to Master Site Lease and one or more related Amendments to Master Project Lease with the Sacramento City Financing Authority (the "Authority") relating to the proposed financing by the Authority of the acquisition of the 300 Richards Boulevard Building, adjacent parking, land and related improvements and other actions consistent with the City's Downtown Space Planning—Guiding Principles (the "300 Richards Boulevard Building Acquisition Project") to be located within the territorial limits of the City, as more particularly described in the staff reports presented to the City Council during its meeting on November 14, 2006, and the proposed refunding, in whole or in part, of the Authority's 2001 Capital Improvement Revenue Bonds, Series A (Water and Capital Improvement Projects), 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects) and 2003 Capital Improvement Revenue Bonds (911 Call Center and Other Municipal Projects) (collectively, the "Prior Bonds").

B. The Authority intends to issue and sell its 2006 Capital Improvement Revenue Bonds, Series C (300 Richards Boulevard Building Acquisition) (the "Series C Bonds"), 2006 Taxable Capital Improvement Revenue Bonds, Series D (300 Richards Boulevard Building Acquisition) (the "Series D Bonds") and 2006 Capital Improvement Refunding Revenue Bonds, Series E (Master Lease Program Facilities) (the "Series E Bonds" and, together with the Series C Bonds and the Series D Bonds, the "Bonds") in combined aggregate principal amount of not to exceed $310,000,000. The proceeds from the sale of the Bonds will be used to provide funds for the purpose of financing the 300 Richards Boulevard Building Acquisition Project and may be used to provide

funds to refund, in whole or in part, the Prior Bonds for significant public benefits to the citizens of the City by the acquisition of the Seventh Amendment to Master Project Lease (the "Refunding Project" and, together with the 300 Richards Boulevard Building Acquisition Project, the "Projects").

C. The City called a public hearing which was held by the City Council of the City (the "City Council") on Tuesday, November 21, 2006, at 2:00 p.m., at the regular meeting place of the City Council, City Council Chambers, Sacramento City Hall, 915 I Street, 1st Floor, Sacramento, California. At the public hearing the City Council considered the proposed financing of the 300 Richards Boulevard Building Acquisition Project to be located within the territorial limits of the City and the proposed refunding of the Prior Bonds by the issuance and sale by the Authority of the Bonds. The City Council also considered whether there are any significant public benefits to the citizens of the City from the proposed financing and the proposed refunding of the Prior Bonds, including demonstrable savings from the issuance and sale of the Bonds, such as savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with section 6586 of the California Government Code).

D. A notice of the public hearing was duly published by the City as required by law in The Daily Recorder, a newspaper of general circulation in the City, at least five days prior to the date hereof, identifying the Projects, and a copy of the proof of publication of the notice of public hearing is on file in the office of the City Clerk.

E. The public hearing was duly convened by the City Council at the time and place set forth in the notice of public hearing therefore, and the City Council heard all interested persons desiring to address the City Council on the foregoing matters at the public hearing.

F. Evidence of the public benefits to the citizens of the City from the proposed financing was presented by the staff of the Office of the City Treasurer.

G. The City has considered the presentation given by the staff of the Office of the City Treasurer and is fully advised in the premises.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the statements in paragraphs A through G of the Background are true.

Section 2. The City Council hereby approves the proposed financing of the 300 Richards Boulevard Building Acquisition Project and the proposed refunding of the Prior Bonds by the issuance by the Authority of the Bonds and hereby determines that there are significant public benefits to the citizens of the City from the proposed financing and the proposed refunding of the Prior Bonds in that there will be demonstrable savings from the issuance and sale of the Bonds and the proposed financing of the 300 Richards Boulevard Building Acquisition Project to be acquired, constructed and otherwise implemented with proceeds of the Bonds and the proposed refunding of the Prior Bonds with proceeds of the Bonds, including savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs (in accordance with Section 6586 of the California Government Code).

Section 3. The City Council hereby approves the issuance of the Bonds by the Authority.

ATTACHMENT 3

RESOLUTION NO. 2006-_____

Adopted by the Sacramento City Council

AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO ONE OR MORE LEASES WITH THE SACRAMENTO CITY FINANCING AUTHORITY, APPROVING THE EXECUTION AND DELIVERY BY THE SACRAMENTO CITY FINANCING AUTHORITY OF ONE OR MORE PURCHASE CONTRACTS FOR THE SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES C (300 RICHARDS BOULEVARD BUILDING ACQUISITION), SACRAMENTO CITY FINANCING AUTHORITY 2006 TAXABLE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES D (300 RICHARDS BOULEVARD BUILDING ACQUISITION) AND SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES E (MASTER LEASE PROGRAM FACILITIES), AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES FOR THE BONDS, APPROVING THE DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND APPROVING THE EXECUTION, DELIVERY AND DISTRIBUTION BY THE SACRAMENTO CITY FINANCING AUTHORITY OF ONE OR MORE FINAL OFFICIAL STATEMENTS FOR THE BONDS, AUTHORIZING THE REFUNDING OF CERTAIN PRIOR BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

A. The City Council (the "City Council") of the City of Sacramento (the "City") has by duly adopted prior resolutions authorized the execution and delivery by the City of a Master Site Lease, dated as of December 1, 1999, as amended (the "Master Site Lease") by and between the Sacramento City Financing Authority (the "Authority") and the City pursuant to which the real property described therein was leased by the City to the Authority and has further authorized the execution and delivery by the Authority of a Master Project Lease, dated as of December 1, 1999, as amended (the "Master Project Lease") by and between the Authority and the City pursuant to which the Authority leased the real property (together with the improvements thereon) back to the City in order to provide for the 1999 Project, the 2000 Project, the 2001 Project, the 2002A Project, the 2003 Project and the 2006 Project (as defined in the Master Project Lease and herein collectively called the "Master Lease Program Projects").

B. The City Council has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes that the real property described in one or more Amendments to Master Site Lease (collectively, the "Amendment to Master Site Lease"), by and between the City and the Authority, be leased by the City to the Authority, and that the Authority lease the real property (together with the improvements

thereon) back to the City pursuant to one or more Amendments to Master Project Lease (collectively, the "Amendment to Master Project Lease"), by and between the Authority and the City, in substantially the forms presented to this meeting, with the total principal components of the payments payable as base rental pursuant to the Amendment to Master Project Lease to be in a combined amount not exceeding three hundred ten million dollars ($310,000,000) and with the term of any Amendment to Master Project Lease to be not in excess of thirty-five (35) years from the date of execution of such Amendment to Master Project Lease.

C. Pursuant to the Amendment to Master Project Lease, the City will be obligated to make base rental payments to the Authority for the lease of the real property (together with the improvements thereon) to it.

D. The Authority has determined to issue its 2006 Capital Improvement Revenue Bonds, Series C (300 Richards Boulevard Building Acquisition) (the "Series C Bonds"), 2006 Taxable Capital Improvement Revenue Bonds, Series D (300 Richards Boulevard Building Acquisition) (the "Series D Bonds") and 2006 Capital Improvement Refunding Revenue Bonds, Series E (Master Lease Program Facilities) (the "Series E Bonds" and, together with the Series C Bonds and the Series D Bonds, the "Bonds") pursuant to one or more Indentures (collectively, the "Indenture") by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), a portion of the proceeds of which will be used by the Authority as the source of funds for the payment to the City of the purchase price of the Amendment to Master Project Lease (being the Program Obligation as defined in the Indenture). The City has determined to apply the proceeds of such purchase price to the acquisition and improvement of the 300 Richards Boulevard Building, adjacent parking, land and implementation of related improvements and other actions consistent with the City's Downtown Space Planning—Guiding Principles (collectively, the "300 Richards Boulevard Building Acquisition Project") and may apply a portion of such purchase price to provide funds to refund, in whole or in part, the Prior Bonds.

E. The Authority will assign, without recourse, all its rights to receive the base rental payments from the City under the Amendment to Master Project Lease to the Trustee, for the benefit of the registered owners of the Bonds.

F. In connection with the issuance of the Bonds, the Authority (with the prior approval of the City) will approve the distribution of one or more Preliminary Official Statements for the Bonds (collectively, the "Preliminary Official Statement") and the Authority (with the prior approval of the City) will enter into one or more Purchase Contracts providing for the sale of the Bonds (collectively, the "Purchase Contract") and the City will execute one or more Continuing Disclosure Certificates for the Bonds (collectively, the "Continuing Disclosure Certificate") in compliance with Securities and Exchange Commission Rule 15c2- 12(b)(5), all in substantially the forms of the Preliminary Official Statement, the Purchase Contract and the Continuing Disclosure Certificate presented to this meeting, and (after the sale of the Bonds) the Authority (with the prior approval of the City) will execute and deliver and authorize the distribution of one or more Final Official Statements for the Bonds (collectively, the "Final Official Statement").

G. For the purpose of financing redevelopment activities within or of benefit to the Richards Boulevard Redevelopment Project Area and the Merged Downtown Redevelopment Project Area, the City has previously authorized, executed and delivered the following Advance Repayment Agreements: a Richards Boulevard Advance Repayment Agreement, dated as of December 1, 1999, as amended in a First Amendment to Richards Boulevard Advance Repayment Agreement, dated as of June 1, 2005, and in a Second Amendment to Richards Boulevard Advance Repayment Agreement, dated as of June 1, 2006 (the "Richards Boulevard Advance Repayment Agreement") and a Merged Downtown Advance Repayment Agreement, dated as of July 1, 2002, as amended in a First Amendment to Merged Downtown Advance Repayment Agreement, dated as of June 1, 2005, each by and between the City and the Redevelopment Agency of the City of Sacramento (the "Merged Downtown Advance Repayment Agreement" and, together with the Richards Boulevard Advance Repayment Agreement, the "Redevelopment Agreements"), and pursuant thereto certain funds were advanced to the Redevelopment Agency of the City of Sacramento (the "Agency") to pay for the costs of acquisition and construction of various projects and improvements within these Redevelopment Project Areas.

H. The City Council of the City has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes and the Agency has determined that it is in the best interests of the Agency and is necessary and proper for Agency purposes that the terms of the Richards Boulevard Advance Repayment Agreement be amended to permit the Agency to prepay to the City, at any time and without any prepayment penalty, the sum of not to exceed two million three hundred thousand dollars ($2,300,000) in order to assist the City in the acquisition, construction and implementation of the 300 Richards Boulevard Building Acquisition Project.

I. The City has determined that it may reduce the costs of the Master Lease Program Projects by issuing refunding revenue bonds to refund all or a portion of the Authority's 2001 Capital Improvement Revenue Bonds, Series A (Water and Capital Improvement Projects), 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects) and 2003 Capital Improvement Revenue Bonds (911 Call Center and Other Municipal Projects) (collectively, the "Prior Bonds") and amending the Master Project Lease to reduce the amount of certain of the base rental payments to be made by the City thereunder.

J. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the authorization of the execution and delivery by the City of the Amendment to Master Site Lease, the Amendment to Master Project Lease and the Continuing Disclosure Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized to execute and deliver the Amendment to Master Site Lease, the Amendment to Master Project Lease and the Continuing Disclosure Certificate and to approve the execution by the Authority of the Purchase Contract and to approve the distribution by the Authority of the Preliminary Official Statement and (after the sale of the Bonds) to approve the execution, delivery and distribution by the Authority of the Final Official Statement and to do any and all

things and to execute any and all documents related to the Authority's refunding of all or a portion of the Prior Bonds.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. The City Council so finds and determines that the statements in paragraphs A through J of the Background are true.

Section 2. The City is authorized to execute and deliver the Amendment to Master Site Lease, the Amendment to Master Project Lease, and the Treasurer of the City (the "Treasurer") or his designee is hereby authorized and directed to execute the Amendment to Master Site Lease and the Amendment to Master Project Lease for and on behalf of the City, and the City Clerk of the City is hereby authorized and directed to attest the execution and to affix the seal of the City thereto and to deliver the Amendment to Master Site Lease and the Amendment to Master Project Lease, and as executed and delivered, the Amendment to Master Site Lease and the Amendment to Master Project Lease shall be in substantially the forms presented to this meeting, with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Purchase Contract between the representative of the underwriters of the Bonds designated therein as finally executed (the "Representative"), and the Authority providing for the sale of the Bonds by the Authority to the Representative, is hereby approved by the City for execution by the Authority and delivery to the Representative, and as executed and delivered, the Purchase Contract shall be in substantially the form presented to this meeting, with the additions thereto or changes therein as the officer executing the Purchase Contract shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof; provided that the Bonds shall bear interest at a true interest cost not to exceed eight percent (8%) and with an underwriter's discount of not more than two percent (2%) of the principal amount thereof.

Section 4. The City is authorized to execute and deliver the Continuing Disclosure Certificate, and the Treasurer is hereby authorized and directed to execute the Continuing Disclosure Certificate for and on behalf of the City and to deliver the Continuing Disclosure Certificate, and as executed and delivered, the Continuing Disclosure Certificate shall be in substantially the form presented to this meeting, with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The City hereby approves the distribution by the Authority of the Preliminary Official Statement, in substantially the form presented to this meeting, and, after the sale of the Bonds, the Treasurer is hereby authorized and directed for and on behalf of the City to approve the execution and delivery by the Authority to the Representative of the Final Official Statement, each with the additions thereto or changes therein as the Authority (with the prior approval of the City) shall require or approve, with approval to be conclusively evidenced by the execution (in the case of the Final Official Statement) and delivery

thereof; and the Representative is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to distribute copies of the Final Official Statement to all actual purchasers of the Bonds. The Treasurer (with the prior approval of the City) is hereby authorized and directed for and on behalf of the City to certify on behalf of the City that the Preliminary Official Statement has been "deemed final" by the City, except for certain final pricing and related information pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

Section 6. The City is authorized to execute and deliver, and the Treasurer or his designee is hereby authorized and directed to execute for and on behalf of the City, an amendment to the Richards Boulevard Advance Repayment Agreement providing that the Agency may prepay to the City, at any time and without any prepayment penalty, the sum of not to exceed two million three hundred thousand dollars ($2,300,000) in order to assist the City in the acquisition, construction and implementation of the 300 Richards Boulevard Building Acquisition Project, and such amendment shall be in the form as the Treasurer or his designee executing the same shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The City is authorized, and the Treasurer or his designee is hereby authorized and directed, to do any and all things and to execute any and all documents necessary to refund all or a portion of the Prior Bonds with proceeds of the Series E Bonds, including, but not limited to, the execution and delivery of the amendments to the Merged Downtown Advance Repayment Agreement, leases and any other documents necessary to accomplish the refunding of the Prior Bonds, provided that the scheduled payments of the principal of and interest on the Series E Bonds shall in the aggregate be in a reduced amount when compared to the scheduled payments of principal and interest on the Prior Bonds that the Treasurer determines shall result in an aggregate present value savings to the Authority of not less than four and a half percent (4.50%), which determination by the Treasurer shall be final, conclusive and binding, and such amendments and documents shall be in the form as the Treasurer or his designee executing the same shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The officers of the City are hereby each authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including without limitation, a tax certificate, escrow agreements and any documents as may be required in order to obtain bond insurance, a reserve fund surety bond, if any, or to issue the Bonds in one or more series, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Amendment to Master Site Lease, the Amendment to Master Project Lease, the Indenture, the Purchase Contract, the Continuing Disclosure Certificate, the Bonds and the amendments to the Redevelopment Agreements, including the purchase of a bond insurance policy and a reserve fund surety bond for the Bonds if deemed desirable, and any actions heretofore taken by the officers are hereby ratified, confirmed and approved.

Attachment 4

RESOLUTION NO. 2006 - _____

Adopted by the Sacramento City Council

RESOLUTION APPROVING THE 2006 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES C, D & E AND ESTABLISHING THE REVENUE AND EXPENDITURE BUDGET

BACKGROUND

A. The City Council of the City of Sacramento (the "City") has determined to implement the Downtown Space Planning – Guiding Principles, in order to provide adequate facilities for all employees and authorized growth.

B. Through a series of City Council meetings, City Council has approved the Guiding Principles, approved a lease with option to purchase, and exercised the option to purchase 300 Richards Boulevard in support of the Downtown Space Planning project.

C. The 2006 CIRBs Series C & D will provide funds for acquisition and improvements associated with 300 Richards Boulevard Acquisition Project and other related staff relocations associated with the Downtown Space Planning Project.

D. The City has determined that the 2006 CIRBs, Series E may achieve savings through the refunding of certain outstanding bond proceeds from 2001, 2002, and 2003.

E. In order to implement the 2006 CIRB program as intended by City Council it is necessary to approve various financial and accounting authorizations and transactions.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds and determines that the statement in paragraphs A through D of the Background are true.

Section 2. Staff is authorized to establish the capital improvement projects (CIPs) and accounting funds for the 300 Richards Boulevard Projects and establish the budgets as approved by the City Council.

Section 3. The appropriations, as outlined on Exhibit A to this Resolution, herein incorporated, will be supported by revenue from the sale of lease revenue bonds (2006 Capital Improvement Revenue Bonds Series C & D).

Section 4. The City Treasurer is hereby authorized to modify the budget as may be required after final pricing and sale of the bonds and as thereafter required to carry-out the terms and intent of the financing in accordance with law and City policy.

Section 5. The City Attorney's office is hereby authorized to enter into a Legal Services Agreement with Orrick, Herrington & Sutcliffe LLP, not to exceed $200,000, for the 2006 Capital Improvement Revenue Bonds, Series C, D & E.

Section 6. All Cost of Issuance expenditures must have written approval from the Office of the City Treasurer prior to final payment.

Exhibit A

2006 Capital Improvement Revenue Bonds, Series C, D & E
Project Revenue and Expenditure Budget

	Project Total	Series 2006 C	Series 2006 D	Series 2006 E
Bond Proceeds				
Par Amount	222,840,000	28,400,000	3,050,000	191,390,000
Premium	30,571,729	2,060,636		28,511,093
Other Revenues - SHRA	2,290,000		2,290,000	
Other Revenues – 2001 Reserve Fund Release	13,441,425			13,441,425
Revenue Budget	**269,143,154**	**30,460,636**	**5,340,000**	**233,342,518**
Underwriter's Discount	(1,448,460)	(184,600)	(19,825)	(1,244,035)
Total Revenues	**267,694,694**	**30,276,036**	**5,320,175**	**232,098,483**
Expenditure Budget				
Cost of Issuance				
City Treasurer	25,000	3,175	325	21,500
City Attorney	14,000	1,778	182	12,040
Trustee Fee/Counsel	7,000	889	91	6,020
Escrow/Title	50,000	6,350	650	43,000
Bond Counsel	200,000	25,489	2,737	171,773
OS Printing	10,000	1,270	130	8,600
Contingency	2,757	2,981	851	(1,075)
Bond Insurance	1,363,404	173,760	18,661	1,170,983
Surety Policy	379,110	48,316	5,189	325,605
Total Expenditures	**2,051,271**	**264,008**	**28,816**	**1,758,446**
Net Proceeds Available	**265,643,423**	**30,012,028**	**5,291,359**	**230,340,037**

Attachment 5

RESOLUTION NO. FA2006-___

Adopted by the Sacramento City Financing Authority

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED $310,000,000 AGGREGATE PRINCIPAL AMOUNT OF SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES C (300 RICHARDS BOULEVARD BUILDING ACQUISITION), SACRAMENTO CITY FINANCING AUTHORITY 2006 TAXABLE CAPITAL IMPROVEMENT REVENUE BONDS, SERIES D (300 RICHARDS BOULEVARD BUILDING ACQUISITION) AND SACRAMENTO CITY FINANCING AUTHORITY 2006 CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES E (MASTER LEASE PROGRAM FACILITIES) AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AMENDMENTS TO ONE OR MORE LEASES WITH THE CITY OF SACRAMENTO AND ONE OR MORE INDENTURES IN CONNECTION THEREWITH, AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE PURCHASE CONTRACTS FOR THE BONDS, APPROVING THE DISTRIBUTION OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND AUTHORIZING THE EXECUTION, DELIVERY AND DISTRIBUTION OF ONE OR MORE FINAL OFFICIAL STATEMENTS FOR THE BONDS, AUTHORIZING THE REFUNDING OF CERTAIN PRIOR BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

A. The Sacramento City Financing Authority is a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority").

B. The Authority has by duly adopted prior resolutions authorized the execution and delivery by the Authority of a Master Site Lease, dated as of December 1, 1999, as amended (the "Master Site Lease") by and between the Authority and the City of Sacramento (the "City") pursuant to which the real property described therein was leased by the City to the Authority and has further authorized the execution and delivery by the Authority of a Master Project Lease, dated as of December 1, 1999, as amended (the "Master Project Lease") by and between the Authority and the City pursuant to which the Authority leased the real property (together with the improvements thereon) back to the City in order to provide for the 1999 Project, the 2000 Project, the 2001 Project, the 2002A Project, the 2003 Project and the 2006 Project (as defined in the Master Project Lease and herein collectively called the "Master Lease Program Projects").

C. The City Council (the "City Council") of the City of Sacramento (the "City") has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes that the real property described in one or more Amendments to Master Site Lease (collectively, the "Amendment to Master Site Lease"), by and between the City and the Authority, be leased by the City to the Authority, and that the Authority lease the real property (together with the improvements thereon) back to the City pursuant to one or more Amendments to Master Project Lease (collectively, the "Amendment to Master Project Lease"), by and between the Authority and the City, in substantially the forms presented to this meeting, with the total principal components of the payments payable as base rental pursuant to the Amendment to Master Project Lease to be in a combined amount not exceeding three hundred ten million dollars ($310,000,000) and with the term of any Amendment to Master Project Lease to be not in excess of thirty-five (35) years from the date of the execution of such Amendment to Master Project Lease.

D. Pursuant to the Amendment to Master Project Lease, the City will be obligated to make base rental payments to the Authority for the lease of the real property (together with the improvements thereon) to it.

E. The Authority has determined that it may reduce the costs of the Master Lease Program Projects by issuing refunding revenue bonds to refund all or a portion of the Authority's 2001 Capital Improvement Revenue Bonds, Series A (Water and Capital Improvement Projects), 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects) and 2003 Capital Improvement Revenue Bonds (911 Call Center and Other Municipal Projects) (collectively, the "Prior Bonds") and amending the Master Project Lease to reduce the amount of certain of the base rental payments to be made by the City thereunder.

F. The Authority has determined to issue its 2006 Capital Improvement Revenue Bonds, Series C (300 Richards Boulevard Building Acquisition) (the "Series C Bonds"), 2006 Taxable Capital Improvement Revenue Bonds, Series D (300 Richards Boulevard Building Acquisition) (the "Series D Bonds") and 2006 Capital Improvement Refunding Revenue Bonds, Series E (Master Lease Program Facilities) (the "Series E Bonds" and, together with the Series C Bonds and the Series D Bonds, the "Bonds") pursuant to one or more Indentures (collectively, the "Indenture") by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), a portion of the proceeds of which will be used by the Authority as the source of funds for the payment to the City of the purchase price of the Amendment to Master Project Lease (being the Program Obligation as defined in the Indenture), and the City has determined that on the date of issuance of the Bonds the projects to be acquired and constructed for the citizens of the City with the proceeds of the Bonds will be located within the territorial limits of the City, namely, the acquisition and improvement of the 300 Richards Boulevard Building, adjacent parking, land and implementation of related improvements and other actions consistent with the City's Downtown Space Planning—Guiding Principles and may apply a portion of such purchase price to provide funds to refund, in whole or in part, the Prior Bonds.

G. The Authority will assign, without recourse, all its rights to receive the base rental payments from the City under the Amendment to Master Project Lease to the Trustee, for the benefit of the registered owners of the Bonds.

H. In connection with the issuance of the Bonds, the Authority (with the prior approval of the City) will approve the distribution of one or more Preliminary Official Statements for the Bonds (collectively, the "Preliminary Official Statement") and the Authority (with the prior approval of the City) will enter into one or more Purchase Contracts providing for the sale of the Bonds (collectively, the "Purchase Contract"), each in substantially the forms of the Preliminary Official Statement and the Purchase Contract presented to this meeting, and (after the sale of the Bonds) the Authority (with the prior approval of the City) will execute and deliver and authorize the distribution of one or more Final Official Statements for the Bonds (collectively, the "Final Official Statement").

I. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the authorization of the execution and delivery by the Authority of the Amendment to Master Site Lease, the Amendment to Master Project Lease and the Indenture and the execution and delivery of the Bonds do exist, have happened and have been performed in regular and due time, form and manner as required by law. The Authority is now duly authorized to execute and deliver the Amendment to Master Site Lease, the Amendment to Master Project Lease and the Indenture and (with the prior approval of the City) to approve the distribution of the Preliminary Official Statement and (with the prior approval of the City) to execute and deliver the Purchase Contract and (after the sale of the Bonds) (with the prior approval of the City) to execute and deliver and authorize the distribution of the Final Official Statement and to execute and deliver the Bonds and to do any and all things and to execute any and all documents related to the Authority's refunding of all or a portion of the Prior Bonds.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SACRAMENTO CITY FINANCING AUTHORITY RESOLVES AS FOLLOWS:

Section 1. The Authority so finds and determines that the statements in paragraphs A through I of the Background are true.

Section 2. The Authority is authorized to execute and deliver the Amendment to Master Site Lease and the Amendment to Master Project Lease, and the Treasurer of the Authority (the "Treasurer") is hereby authorized and directed to execute the Amendment to Master Site Lease and the Amendment to Master Project Lease for and on behalf of the Authority, and the Secretary of the Authority (the "Secretary") is hereby authorized and directed to attest the execution and to deliver the Amendment to Master Site Lease and the Amendment to Master Project Lease, and as executed and delivered, the Amendment to Master Site Lease and the Amendment to Master Project Lease shall be in substantially the forms presented to this meeting, with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Authority is authorized to execute and deliver the Indenture, and the Treasurer is hereby authorized and directed to execute the Indenture for and on behalf of the Authority, and the Secretary is hereby authorized and directed to attest the execution and to deliver the Indenture, and as executed and delivered, the Indenture shall be in substantially the form presented to this meeting, with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof, and the Authority is authorized to execute and deliver the Bonds pursuant to the Indenture, which when executed, shall be delivered to the Trustee for authentication by the Trustee, and the Trustee is hereby requested and directed to authenticate the Bonds by executing the Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Representative hereinafter defined in accordance with written instructions executed on behalf of the Treasurer, which instructions said officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee and which instructions shall provide for the delivery of the Bonds to the Representative upon payment of the purchase price thereof.

Section 4. The Authority is authorized to execute and deliver the Purchase Contract with the representative of the underwriters of the Bonds designated therein as finally executed (the "Representative"), and the Authority, in substantially the form presented to this meeting, providing for the sale of the Bonds by the Authority to the Representative, is hereby approved by the Authority for execution and delivery by the Authority to the Representative, and the Treasurer is hereby authorized and directed (after the approval of the City) to execute the Purchase Contract for and on behalf of the Authority and to deliver the Purchase Contract, and as executed and delivered, the Purchase Contract shall be in substantially the form presented to this meeting, with the additions thereto or changes therein as the officer executing the Purchase Contract shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof; provided that the Bonds shall bear interest at a true interest cost not to exceed eight percent (8%) and with an underwriter's discount of not more than two percent (2%) of the principal amount thereof.

Section 5. The Treasurer (with the prior approval of the City) is hereby authorized and directed for and on behalf of the Authority to approve the distribution of the Preliminary Official Statement, in substantially the form presented to this meeting, and, after the sale of the Bonds, the Treasurer is hereby authorized and directed for and on behalf of the Authority (with the prior approval of the City) to execute and deliver to the Representative the Final Official Statement, each with the additions thereto or changes therein as the Treasurer shall require or approve, with approval to be conclusively evidenced by the execution (in the case of the Final Official Statement) and delivery thereof; and the Representative is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to distribute copies of the Final Official Statement to all actual purchasers of the Bonds. The Treasurer (with the prior approval of the City) is hereby authorized and directed for and on behalf of the Authority to certify on behalf of the Authority that the Preliminary Official Statement has been "deemed final" by the Authority, except for certain final pricing and related information pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

Section 6. The Authority is authorized to do any and all things and to execute any and all documents necessary to refund all or a portion of the Prior Bonds with proceeds of the Series E Bonds, including, but not limited to, the execution and delivery of the amendments to the related leases and any other documents necessary to accomplish the refunding of the Prior Bonds, provided that the scheduled payments of the principal of and interest on the Series E Bonds shall in the aggregate be in a reduced amount when compared to the scheduled payments of principal and interest on the Prior Bonds that the Treasurer, upon consultation with the Representative, determines shall result in an aggregate present value savings to the Authority of not less than four and a half (4.50%), which determination by the Treasurer shall be final, conclusive and binding, and such amendments and documents shall be in the form as the Treasurer executing the same shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The officers of the Authority are hereby each authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including without limitation, a tax certificate, escrow agreements and any documents as may be required in order to obtain bond insurance, a reserve fund surety bond, if any, or to issue the Bonds in one or more series, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, the Amendment to Master Site Lease, the Amendment to Master Project Lease, the Indenture, the Purchase Contract, the Official Statement and the Bonds, including the purchase of a bond insurance policy and a reserve fund surety bond for the Bonds if deemed desirable, and any actions heretofore taken by the officers are hereby ratified, confirmed and approved.

Attachment 6

RESOLUTION NO. RA2006-____

Adopted by the Redevelopment Agency of the City of Sacramento

AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO CERTAIN ADVANCE REPAYMENT AGREEMENTS WITH THE CITY OF SACRAMENTO RELATING TO THE 300 RICHARDS BOULEVARD BUILDING ACQUISITION PROJECT AND THE REFUNDING OF CERTAIN PRIOR BONDS AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

BACKGROUND:

A. The Sacramento City Financing Authority (the "Authority") is authorized pursuant Articles 1 and 4 of Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code of the State of California, and all laws amendatory thereof or supplemental thereto, to issue revenue bonds to provide funds to assist local entities to finance or refinance capital improvements in order that the local entities may achieve their public purposes.

B. The Redevelopment Agency of the City of Sacramento (the "Agency") is 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.

C. Redevelopment plans for redevelopment project areas known and designated as the Merged Downtown Redevelopment Project and the Richards Boulevard Redevelopment Project (collectively, the "Redevelopment Project Areas"), located wholly or partially within the City of Sacramento (the "City"), have been adopted in compliance with all requirements of the Redevelopment Law.

D. For the purpose of financing redevelopment activities within or of benefit to the Redevelopment Project Areas, the Agency has previously authorized, executed and delivered the following Advance Repayment Agreements: a Richards Boulevard Advance Repayment Agreement, dated as of December 1, 1999, as amended in a First Amendment to Richards Boulevard Advance Repayment Agreement, dated as of June 1, 2005, and in a Second Amendment to Richards Boulevard Advance Repayment Agreement, dated as of June 1, 2006 (the "Richards Boulevard Advance Repayment Agreement") and a Merged Downtown Advance Repayment Agreement, dated as of July 1, 2002, as amended in a First Amendment to Merged Downtown Advance Repayment Agreement, dated as of June 1, 2005, each by and between the Agency

and the City (the "Merged Downtown Advance Repayment Agreement" and, together with the Richards Boulevard Advance Repayment Agreement, the "Redevelopment Agreements"), and pursuant thereto certain funds were advanced to the Agency to pay for the costs of acquisition and construction of various projects and improvements within the Redevelopment Project Areas (the "Redevelopment Projects").

E. The City Council of the City has determined that it is in the best interests of the City and its citizens and is necessary and proper for City purposes and the Agency has determined that it is in the best interests of the Agency and is necessary and proper for Agency purposes that the terms of the Richards Boulevard Advance Repayment Agreement be amended to permit the Agency to prepay to the City, at any time and without any prepayment penalty, the sum of not to exceed two million three hundred thousand dollars ($2,300,000) in order to assist the City in the acquisition, construction and implementation of the 300 Richards Boulevard Building, adjacent parking, land and related improvements and other actions consistent with the City's Downtown Space Planning—Guiding Principles (the "300 Richards Boulevard Building Acquisition Project").

F. The Agency has determined that it may reduce the costs of the Redevelopment Projects through the Authority issuing its 2006 Capital Improvement Refunding Revenue Bonds, Series E (Master Lease Program Facilities) to refund certain prior bonds of the Authority (the "Prior Bonds") and amending the Merged Downtown Advance Repayment Agreement to reduce the amount of certain loan payments to be made by the Agency thereunder.

G. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the authorization of the execution and delivery of the Redevelopment Agreements, as amended in accordance with this resolution, do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized to execute and deliver an amendment to the Redevelopment Agreements and to take such additional actions as may be necessary or appropriate in connection therewith.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE GOVERNING BOARD OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. The Agency so finds and determines that the statements in paragraphs A through G of the Background are true.

Section 2. The Executive Director of the Agency or any officer of the Agency designated thereby (the "Executive Director"), is hereby authorized and directed to execute and deliver, for and on behalf of the Agency, an amendment to the Richards Boulevard Advance Repayment Agreement providing that the Agency may prepay to the City, at any time and without any prepayment penalty, the sum of not to exceed two million three hundred thousand dollars ($2,300,000) in order to assist the City in the acquisition, construction and implementation of the 300 Richards Boulevard Building Acquisition Project, and such

amendment shall be in the form as the officer executing the same shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Executive Director is hereby authorized and directed, to do any and all things and to execute any and all documents related to the Authority's refunding of all or a portion of the Prior Bonds, including, but not limited to, the execution and delivery of the amendment of the Merged Downtown Advance Repayment Agreement to reduce the amount of certain loan payments to be made by the Agency thereunder and such amendment shall be in the form as the Executive Director executing the same shall require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The officers of the Agency are hereby each 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 carry out, give effect to and comply with the terms and intent of this resolution and the Redevelopment Agreements, as amended in accordance with this resolution, and any actions heretofore taken by the officers are hereby ratified, confirmed and approved.

Section 5. Except as amended in accordance with this resolution, the Redevelopment Agreements are ratified and confirmed in all other respects.

Attachment 7

BOND DOCUMENTS

The following documents are not published as part of the agenda package.

They are available for review on the City's Website at:

http://www.cityofsacramento.org/webtech/streaming_video/live_council_meetings.htm

They are also available at the office of the City Clerk:

Office of the City Clerk
915 I Street
HCH, 1st Floor
Sacramento, CA 95814

A. Preliminary Official Statement

B. Continuing Disclosure Certificate

C. Indenture

D. Seventh Amendment to Master Project Lease

E. Sixth Amendment to Master Site Lease

F. Purchase Agreement