



OFFICE OF THE
CITY TREASURER

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TREASURER

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CITY OF SACRAMENTO
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PRESS RELEASE

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Sacramento City Treasurer, Thomas P. Friery, announced today the successful sale of \$19,025,000 of City of Sacramento, Limited Obligation Refunding Bonds for Reassessment District II No. 2006-01. The Reassessment Bonds refund two outstanding assessment bonds for Willowcreek II Assessment District 96-01 and North Natomas Assessment District 88-03. The Reassessment Bonds were sold with bond maturities between 2006 and 2022 with interest rates ranging from 3.75% to 5.00%.

In combination with fund balances for the two outstanding assessment bonds, the Reassessment Bonds will result in approximately \$17.2 million in reduced debt service for property owners over the term of the bonds. In today's dollars, this equates to \$2.6 million of savings. Mr. Friery stated, "The Bonds were well received in the market and the combination of the current interest rate environment and the City's positive name recognition contributed to this interest rate success."

Janelle Gray, Public Finance and Banking Manager with the City explained that, "Although the City of Sacramento issued the bonds, they are not obligations of the City. The bonds are secured by assessments levied against the taxable property within the Reassessment District." Mayor Heather Fargo stated, "We are particularly pleased that we were able to achieve these savings that will directly benefit the homeowners in these Districts."

The Reassessment District consists of North Natomas Assessment District No. 88-03 and Willowcreek II Assessment District No. 96-01 which are not contiguous but are both located in Council District 1. The North Natomas 88-03 District encompasses approximately 1,473 acres with 811 parcels. It is located in the northwest portion of the City of Sacramento in the rapidly growing Natomas area. Two of the nation's major interstate freeways, Interstates 5 and 80, intersect in the Natomas area. The Willowcreek District covers approximately 410 acres with 947 parcels, and is located within the South Natomas Community Plan Area south of Interstate 80 and north of the Garden Highway.

The bonds were structured and underwritten by Stone & Youngberg LLC of San Francisco with legal representation from Jones Hall. The City's bond counsel firm, Orrick, Herrington & Sutcliffe LLP, provided legal opinion and review for the City of Sacramento. U.S. Bank National Association shall serve as the Trustee for the issue.

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