



FOR IMMEDIATE RELEASE

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## FACT SHEET

### **MAYOR SANDERS ANNOUNCES \$109 MILLION BOND SALE FOR DOWNTOWN REDEVELOPMENT PROJECTS**

#### ***MONEY WILL BE USED FOR PROJECTS RANGING FOR AFFORDABLE HOUSING TO PARK LAND ACQUISITION***

Mayor Jerry Sanders today announced that the City's Redevelopment Agency will sell **\$109 million in tax allocation bonds next week specifically to pay for projects in Downtown San Diego.** The projects range from low and moderate income housing to the acquisition of park land for Downtown (a detailed list follows on the next page). This is the City's first public bond offering since the City's rating was suspended by one rating firm on September 20, 2004.

- **The bonds, which are backed by bond insurance and rely on a historically solid tax increment stream, obtained the highest rating possible from all three bond rating agencies.**

FITCH	MOODY'S	STANDARD & POORS
AAA	Aaa	AAA

- Although an agency of City government, the Redevelopment Agency was able to access the public credit market based upon four primary factors:
  1. The Redevelopment Agency is considered a separate legal entity;
  2. The fact that the bonds' repayment is based solely upon the tax increment generated Downtown, a steady and increasing source of funds (the bonds are not backed by the City's General Fund nor is there any other City's obligation to repay the bonds);
  3. The economic vibrancy of Downtown San Diego; and
  4. The fact that the bonds are backed by insurance. The bonds also will not count against the City's outstanding debt.

- **The bond rating agencies have repeatedly pointed to the growth and economic power of San Diego regional economy as a positive sign.**
- **The City of San Diego plans to re-access the public credit markets at the end of this year following the conclusion of several investigations and the release of audits from past years. Access to public capital will be vital to the City’s needs to make long-awaited improvements to its roads, water and wastewater systems, among other critical infrastructure.**

**SALE MARKS PROGRESS IN FUNDING FOR IMPORTANT PROJECTS**

- Mayor Jerry Sanders today joined the City Council in approving the sale of \$109 million in tax allocation bonds for the City of San Diego’s Redevelopment Agency by signing the resolution permitting this sale. The bonds will be sold next week.
- The Centre City Development Corporation will oversee the disposition of bond proceeds and has been the lead agency involved with the bond sale process.
- The Redevelopment Agency’s was able to secure bond insurance from Ambac Assurance Corporation.

**DOWNTOWN PROJECTS SET TO RECEIVE FUNDS**

- The bonds will allow the Centre City Development Corporation to initiate work on a variety of critical infrastructure and community enhancement projects.

<b>Project</b>	<b>Proposed Funding from Bonds</b>
Low and Moderate Income Housing	Approximately \$30 million
Community Parks and Fire Stations	\$35 million - \$45 million
Downtown Main Library	\$10 million - \$30 million
“C” Street Design and Improvements	\$1.5 million - \$2 million
Harbor Drive Pedestrian Bridge	\$2 million - \$6 million
Street Light Improvements	\$3 million - \$9 million
North Embarcadero Project	\$2 million - \$13 million
Park to Bay Trolley Station	\$2 million - \$5 million
Park Improvements	\$800,000
Traffic Signals	\$500,000 - \$700,000
Gaslamp Sidewalk Improvements	\$500,000 - \$700,000
Intersection Improvements	\$400,000 - \$1 million
New Street Lights	\$1 million - \$1.5 million
Storm Drains	\$400,000 - \$600,000
Other Sidewalk Improvements	\$900,000 - \$1.2 million
Quiet Zone Improvements	\$1 million - \$1.5 million

- The specific allocation of bond proceeds are contingent on project timelines, partnerships with other agencies involved in Downtown redevelopment and the refinement of plans for housing, park development and traffic improvements.

#### **GROWTH OF DOWNTOWN REDEVELOPMENT PROJECTS IMPRESSIVE**

- In 1975, the City Council designated CCDC to serve as the operating manager of Downtown redevelopment projects. CCDC is responsible for planning, implementing and administering both the Centre City and Horton Plaza redevelopment project areas.
- Since FY2002, the incremental value of taxable property in the Centre City project area has increased more than 2½ times from \$2.4 billion to \$6.8 billion in FY2006. Approximately another \$1.5 billion of development is under construction.