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## **San Jose Redevelopment Agency Successfully Sells Tax Allocation Bonds for \$81.3 million** *Strong interest underscores investor confidence*

*San José* — The successful sale of \$81.3 million of tax allocation bonds by the San Jose Redevelopment Agency (SJRA) will enable the Agency to continue investments in neighborhoods, downtown, affordable housing, economic development and job creation.

The Agency's credit strength and successful development track record appealed to many investors. The winning bidder for the \$67 million tax-exempt series of bonds was Citigroup with an interest rate of 4.61 percent. The winning bidder for the \$14.3 million taxable series of bonds was Morgan Keegan with an interest rate of 5.67 percent.

"This sale will allow us to deliver projects that our residents and businesses have told us are their top priorities to improve quality of life and our economy," said San Jose Mayor Ron Gonzales. "We will continue to strengthen our foundations for prosperity, build strong neighborhoods, and create opportunities for our families in San Jose."

The bonds were sold at an "AA" rating based on municipal bond insurance guarantees. The competitive sale netted five bids for each series of bonds, which validated the strong credit of the Agency and a sign that the economy is improving.

"Our Agency's diverse and dynamic projects contribute to the credit strength of our organization," said Harry Mavrogenes, Executive Director of the San Jose Redevelopment Agency. "We will reinvest the net proceeds from the bonds to fund projects that will enhance our city."

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The Agency's current two-year capital improvement projects spending plan is \$221 million, with \$139 million planned for the current fiscal year ending June 2007, and \$82 million for the following fiscal year.

The San Jose Redevelopment Agency is dedicated to improving the quality of life for all who live and work in San José. Governed by the San José City Council, the Agency facilitates and oversees comprehensive programs for development to revitalize the City's Downtown, neighborhoods, and industrial areas.

For more information on the San Jose Redevelopment Agency, contact us at (408) 535-8500 or visit our website at [www.sjredevelopment.org](http://www.sjredevelopment.org).

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