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San Jose Redevelopment Successfully Sells Tax Allocation Bonds of \$213 Million

The bonds are the largest new financing since 2002 for the Agency

San José — The San Jose Redevelopment Agency has successfully sold \$213 million, the largest new financing for the Agency in five years. With the sale of the new bonds, the San Jose Redevelopment Agency will be able to finance new projects and fund existing projects in the downtown, industrial, neighborhood business districts, and strong neighborhood areas of San Jose .

“This year, our Redevelopment Project Areas experienced a 12 percent increase in assessed value, and San Jose experienced an increase in jobs and a low commercial vacancy rate,” said Harry Mavrogenes, Executive Director of the San Jose Redevelopment Agency. “The successful sale of the bonds validates that the economy is still experiencing positive growth.”

The Agency’s credit strength and successful development track record appealed to many investors. The competitive sale netted six bids for each series of bonds at an "AAA" rating, based on municipal bond insurance guarantees.

The winning bidder for the \$192 million tax-exempt series of bonds was Merrill Lynch with an effective interest rate of 4.67 percent. The winning bidder for the \$21 million taxable series of bonds was Morgan Keegan with an effective interest rate of 5.13 percent.

The Agency’s adopted Fiscal Year 2007-08 capital budget is \$211 million, and the successful sale of the bonds will make it possible to invest in job creation programs, business expansion, public facilities, affordable housing and to strengthen San Jose neighborhoods.

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**San Jose Redevelopment Agency Successfully Sells
\$213 Million in Tax Allocation Bonds**

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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.

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