

Deal Spotlight: Land-Secured Transactions

Redevelopment Agency of the City of Woodland, California Woodland Redevelopment Project

\$7,295,000 – Series 2007A

UW: Brandis Tallman LLC

\$1,680,000 – Series 2007B (Federally Taxable)

FA: Del Rio Advisors, LLC

Rating: Aa3 (Moody's)

Dated Date: 7/31/07

The Redevelopment Agency of the City of Woodland (the “Issuer”) issued nearly \$9 million of tax allocation bonds, across two series, to refund approximately \$2 million of existing debt and fund a number of capital improvements within the Woodland Redevelopment Project Area (the “Project Area”).

The Project Area is located in the City of Woodland, California (the “City”). The City was incorporated in 1871, and is located in Yolo County (the “County”), about 85 miles northeast of San Francisco, and 18 miles northwest of Sacramento. The Project Area is located in the downtown part of the City and encompasses 621 acres representing 7% of the City.

The Project Area was established in 1988 and now has \$325 million of assessed value (“AV”) with \$186 million of incremental AV (“IAV”). Over the past four years, taxable AV has increased by 47% and IAV has increased by 127%. The Project Area has a diverse mixture of industrial, commercial and residential development with each category representing nearly a quarter of AV or more. The largest taxpayer accounts for 17% of AV and 30% of IAV. Meanwhile, the top ten taxpayers represent 29% of AV and 51% of IAV.

The bonds are secured by tax increment revenues, net of 20% low and moderate income housing set asides, administrative fees and the County’s Section 33676 allocations. The bonds currently have 1.77x maximum annual debt service (“MADS”) coverage. The Project Area could experience the loss of the top four taxpayers, or a drop of more than 22% of AV, and maintain 1.0x MADS. The County participates in the Teeter Plan with the Issuer receiving 100% of its tax increment allocation.

The Issuer accessed the market at lower interest rates based on Radian’s Aa3 rating. For the tax-exempt Series 2007A bonds, the largest maturity due in 2034 offered a 4.875% coupon priced to final maturity at a yield of 5.00%, 58 bps over the Municipal Market Data Line AAA GO Index. Meanwhile, for the federally taxable Series 2007B bonds, the largest maturity due in 2015 offered a 6.00% coupon priced to final maturity at par, 95 bps over the comparable U.S. Treasury security.

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