

created pursuant to the Indenture, no funds or properties of the Agency shall be pledged to, or otherwise liable for, the Bonds. See "SECURITY FOR THE BONDS - Tax Allocation Financing" herein.

Bond Insurance

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") to be issued concurrently with the delivery of the Bonds by Ambac Assurance Corporation ("Ambac Assurance"). For additional information regarding Ambac Assurance and the Financial Guaranty Insurance Policy, see the discussion under "FINANCIAL GUARANTY INSURANCE" herein and see "APPENDIX H – SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY."

Fiscal Consultant's Report

The Agency has retained Rosenow Spevacek Group (the "Fiscal Consultant") to undertake an analysis of Tax Revenues in connection with the issuance of the Bonds. Attached as Appendix F hereto is a copy of the Fiscal Consultant's Report 2006 Tax Allocation Revenue Bonds dated February 17, 2006 (the "Fiscal Consultant's Report"). Neither the Agency nor the Authority make any representation to the accuracy of the estimations of Tax Revenues reflected in the Fiscal Consultant's Report. All references contained herein to "projections" are made with respect to the Tax Revenue projections contained in the Fiscal Consultant's Report.

Further Information

This Official Statement and the appendices hereto contain brief descriptions of, among other things, the Bonds, the Authority, the Agency, the Project Area, the security for the Bonds, certain risk factors associated with investing in the Bonds, the Indenture and the Loan Agreement. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to documents are qualified in their entirety by reference to such documents and to the form of the Bond included in the Indenture. Copies of the Indenture, the form of the Loan Agreement, and other documents described in this Official Statement may be obtained from the Trustee or the Authority following delivery of the Bonds. Certain terms used in this Official Statement are defined herein under the caption "APPENDIX B - SUMMARY OF PRINCIPAL LEGAL DOCUMENTS".

Available Information and Continuing Disclosure

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Agency has undertaken for the benefit of the holders of the Bonds to provide certain financial information and operating data relating to the Issuer by not later than 240 days after the end of each Fiscal Year commencing with the Fiscal Year ending June 30, 2006 (the "Annual Information"), and to provide notices of the occurrence of certain enumerated events, if deemed by the Agency to be material. The Annual Information will be filed by or on behalf of the Agency with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRS") and with the State Information Depository (the "State Depository"), if any. Notices of material events will be filed by or on behalf of the Agency with the NRMSIRS or the Municipal Securities Rulemaking Board (the "MSRB") and with the State Depository, if any. The nature of the information to be provided in the Annual Information and the notices of material events is set forth under the caption "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT."

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

FINANCING PLAN

The Agency anticipates using Project Area No. 3 - Loan No. 2006-1 proceeds to finance improvements in the Heart of the City which includes, without limitation, Discovery Street, new streets, drainage and related public infrastructure between Barham Street, Twin Oaks Valley Road and Camel Street. In addition, the

Agency will also finance certain recreational and park sites within Project Area No. 3 and certain freeway interchanges. See "PROJECT AREA NO. 3 - Current and Proposed Development."

SOURCES AND USES OF FUNDS

The proceeds of the sale of the Bonds and other sources of funds available to the Authority and the uses thereof are estimated to be as follows:

<u>Sources of Funds</u>	<u>The Bonds</u>
Principal Amount of Bonds	\$36,165,000.00
plus: Net Original Issue Discount	(116,318.00)
less: Underwriter's Discount	<u>(311,019.00)</u>
Total	\$35,737,663.00

<u>Uses of Funds</u>	
Deposit to Project Area No. 3 Project Fund	\$28,565,000.00
Deposit to Escrow Fund ⁽¹⁾	6,435,000.00
Deposit to Cost of Issuance Fund ⁽²⁾	647,847.08
Deposit to Interest Account ⁽³⁾	<u>89,815.92</u>
Total	\$35,737,663.00

⁽¹⁾ See "SECURITY FOR THE BONDS – Escrow Fund."

⁽²⁾ Costs of issuance include Bond Counsel and Disclosure Counsel fees and expenses, Fiscal Consultant fees and expenses, the initial premiums for the Financial Guaranty Insurance Policy and the Surety Bond, printing costs, initial trustee fees, and other miscellaneous expenses.

⁽³⁾ Represents capitalized interest on the portion of Bond proceeds deposited to the Escrow Fund through April 1, 2009. Any amounts representing capitalized interest not used to pay interest at the time amounts in the Escrow Fund are released to the Agency may be deposited to the Project Area No. 3 Project Fund.

THE BONDS

The Bonds will be issued as fully registered bonds in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds are dated their date of delivery, bear interest at the rates and mature on the dates and in the principal amounts set forth on the inside front cover page hereof. Interest on the Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing August 1, 2006.

Interest on, premium, if any, and principal of the Bonds will be payable by the Trustee to Cede & Co. by wire transfer in immediately available funds in accordance with the terms of the Letter of Representations. See "APPENDIX C - BOOK-ENTRY-ONLY SYSTEM".

Redemption

Redemption from Optional Loan Prepayments. The Bonds maturing on and after August 1, 2017 shall be subject to redemption, as a whole or in part, on August 1, 2016 and any Interest Payment Date thereafter, from prepayments of any of the Loan made at the option of the Agency pursuant to the Loan Agreement. Bonds maturing prior to such date are not subject to such redemption. Bonds called for redemption will be redeemed at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The (i) Bonds maturing on August 1, 2020, August 1, 2025, August 1, 2031 and August 1, 2036 (the "Series A Term Bonds") are subject to mandatory redemption in part by lot in each year commencing August 1, 2017, August 1, 2021, August 1, 2026 and August 1, 2032, respectively, and (ii) Bonds maturing on August 1, 2011, August 1, 2016 and August 1, 2036 (the "Series A Special Term Bonds") are subject to mandatory redemption in part by lot in each year commencing August 1, 2007, August 1,