



FILED
OFFICE OF THE CITY CLERK
OAKLAND

AGENDA REPORT 3:24

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: Katano Kasaine

SUBJECT: Successor Agency Subordinated Tax
Allocation Refunding Bonds, Series 2015-TE
& 2015-T

DATE: May 11, 2015

City Administrator Approval	<i>[Signature]</i>	Date	5/21/15
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COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff is recommending that the City Council adopt:

A Oakland Redevelopment Successor Agency (The “Successor Agency”) Resolution Confirming The Issuance Of The Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE And Oakland Redevelopment Successor Agency Taxable Subordinated Tax Allocation Refunding Bonds, Series 2015-T (Together, The “2015 Refunding Bonds”) Pursuant To An Indenture Of Trust, Approving Preliminary And Final Official Statements And Providing For Other Matters Relating Thereto

OUTCOME

Adopting the resolution will confirm the issuance of the 2015 Refunding Bonds, approve the preliminary and final official statements (the “OS”) and provide for other matters relating thereto.

BACKGROUND/LEGISLATIVE HISTORY

On April 21, 2015, the Successor Agency Board adopted Resolution No. 2015-002 C.M.S authorizing the issuance and prescribing the terms, conditions and form of not to exceed \$115,000,000 combined aggregate principal amount of the 2015 Refunding Bonds, approving the form of and authorizing the execution and delivery of an indenture of trust and a purchase agreement; approving the selection and retention of a financial advisor and underwriters; authorizing payment of costs of issuance; and authorizing and approving necessary actions in connection therewith.

Item: _____
City Council
June 2, 2015

On April 27, 2015, the Oakland Oversight Board (the "Oversight Board") adopted Resolution No. 2015-2 C.M.S approving the issuance of 2015 Refunding Bonds by the Successor Agency, and making certain determinations with respect to the 2015 Refunding Bonds and providing for other matters relating thereto. The State of California Department of Finance (the "DOF") is expected to approve the actions taken by the Successor Agency Board and Oversight Board with respect to the 2015 Refunding Bonds by June 1, 2015.

ANALYSIS

The Successor Agency will issue the 2015 Refunding Bonds to refund all or a portion of the Prior Bonds in order to achieve debt service savings in accordance with the savings parameters. Given the favorable interest rate environment as of April 30, 2015, refunding the Prior Bonds is expected to generate debt service savings of approximately \$7.5 million through fiscal year ("FY") 2037. The net present value ("NPV") savings are expected to be \$5.8 million or 5.6 percent of the refunded principal.

Staff recommends adoption of the resolution confirming the issuance of the 2015 Refunding Bonds, approving preliminary and final OS and providing for other matters relating thereto. The Successor Agency, with the assistance of its disclosure counsel has prepared a draft of the OS for the 2015 Refunding Bonds, which contains information regarding the 2015 Refunding Bonds, Successor Agency and Oakland Redevelopment Agency. The Successor Agency is requesting at this time to approve the use and distribution of the OS as in the public interests of the Successor Agency and affected taxing entities.

In addition to approvals from the Successor Agency Board and Oversight Board, staff is awaiting approval from the DOF in order to issue the 2015 Refunding Bonds. Approval from the DOF is expected by June 1, 2015. Staff anticipates pricing the 2015 Refunding Bonds on June 11, 2015 and closing the transaction on June 30, 2015.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

COORDINATION

This report has been prepared by the Treasury Bureau in coordination with the City Attorney's Office and the Controller's Office.

COST SUMMARY/IMPLICATIONS

Annual debt service for the 2015 Refunding Bonds will be included in the Successor Agency's Recognized Obligation Payment Schedule and payable from the Redevelopment Property Tax

Trust Fund (the "RPTTF"). Fees associated with issuance of the 2015 Refunding Bonds will be paid from bond proceeds and contingent upon closing of the transaction.

As an affected taxing entity, the City will receive a share, projected to be 38.9 percent, of the debt service savings as a distribution from the RPTTF. Of the \$7.5 million in estimated debt service savings, the City expects to benefit approximately \$2.9 million in total through FY 2037.

SUSTAINABLE OPPORTUNITIES

Economic: The refunding will result in debt service savings by refinancing existing debt at lower interest rates. The City will receive a portion of these savings as a distribution from the RPTTF.

Environmental: There are no environmental opportunities associated with this report.

Social Equity: There are no social equity opportunities associated with this report.

For questions regarding this report, please contact Katano Kasaine, Treasurer at (510) 238-2989.

Respectfully submitted,



KATANO KASAINÉ
Treasurer, Treasury Bureau

Reviewed by:
David Jones, Principal Financial Analyst
Treasury Bureau

Prepared by:
Jackie Lee, Financial Analyst
Treasury Bureau

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BY: 
ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION No. 2015-_____

A SUCCESSOR AGENCY RESOLUTION CONFIRMING THE ISSUANCE OF THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY SUBORDINATED TAX ALLOCATION REFUNDING BONDS, SERIES 2015-TE AND OAKLAND REDEVELOPMENT SUCCESSOR AGENCY TAXABLE SUBORDINATED TAX ALLOCATION REFUNDING BONDS, SERIES 2015-T PURSUANT TO AN INDENTURE OF TRUST, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Redevelopment Agency of the City of Oakland (the "Former Agency") has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Oakland Redevelopment Successor Agency (the "Successor Agency") has become the successor entity to the Former Agency; and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following series of bonds (collectively, the "Prior Bonds") for the purpose of financing and refinancing the redevelopment activities of the Former Agency:

(i) \$2,195,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Refunding Bonds, Series 2006A;

(ii) \$82,645,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Revenue Bonds, Series 2006A-T (Federally Taxable);

(iii) \$13,780,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE;

(iv) \$28,770,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE; and

(v) \$4,945,000 initial aggregate principal amount of Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds, Series 2006C-TE; and

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"), and the Successor Agency has determined to sell its Refunding Bonds (as defined below) to refund all or a portion of the Prior Bonds, but only in accordance with the Savings Parameters and Section 34177.5(a)(1); and

WHEREAS, the Successor Agency, pursuant to Resolution No. 2015-002 (the "SA Resolution"), adopted on April 21, 2015, approved the issuance of its Oakland Redevelopment Successor Agency Subordinated Tax Allocation Refunding Bonds, Series 2015-TE (the "Series 2015-TE Refunding Bonds") and Oakland Redevelopment Successor Agency Taxable Subordinated Tax Allocation Refunding Bonds, Series 2015-T (the "Taxable Series 2015-T Refunding Bonds" and, together with the Series 2015-TE Refunding Bonds, the "Refunding Bonds"), subject to the Savings Parameters being met, and requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency; and

WHEREAS, the Oversight Board, by Resolution No. 2015-2 (the "OB Resolution") adopted on April 27, 2015, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds; and

WHEREAS, the Successor Agency, with the assistance of its disclosure counsel, Curls Bartling P.C., has prepared a draft of the Official Statement for the Refunding Bonds (the "Official Statement"), which contains information regarding the Refunding Bonds, the Former Agency and the Successor Agency, the preliminary form of which is on file with the Secretary of the Successor Agency; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities;

RESOLVED, the Oakland Redevelopment Successor Agency finds, determines, declares and resolves as follows:

Section 1. Confirmation of Approval of Issuance of the Refunding Bonds.

The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds.

Section 2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form on file with the

Secretary of the Successor Agency. Distribution of the preliminary Official Statement by the Successor Agency and its underwriters (the "Underwriters") is hereby approved, and, prior to the distribution of the preliminary Official Statement, the Administrator of the Successor Agency (the "Administrator") or the Treasurer of the Successor Agency (the "Treasurer"), or the designee of either (each, an "Authorized Officer"), each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and the Authorized Officers, each acting alone, are authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriters a certificate with respect to the information set forth therein and to deliver to the Underwriters a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

Section 3. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effect. This Resolution shall take effect immediately upon its passage.

IN SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, June 2, 2015

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, WASHINGTON, and
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency