


City Attorney

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$95,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF OAKLAND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012; PRESCRIBING THE TERMS OF SALE OF SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FISCAL AGENT AGREEMENT, ESCROW AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE AND BOND PURCHASE CONTRACT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AND AUTHORIZING NECESSARY ACTIONS RELATED THERETO

WHEREAS, this City Council of the City of Oakland (the "City") has heretofore issued or caused to be issued its "City of Oakland General Obligation Bonds (Series 2002A, Measure G)" (the "2002A Bonds") in the aggregate principal amount of \$38,000,000, of which \$32,735,000 remain outstanding, and its "City of Oakland General Obligation Bonds (Series 2003A, Measure DD) (the "2003A Bonds" and, together with the 2002A Bonds, the "Prior Bonds") in the aggregate principal amount of \$71,450,000, of which \$58,720,000 remain outstanding;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code"), the City is authorized to issue general obligation bonds to refund all or a portion of the Prior Bonds if the City Council determines that prudent management of the fiscal affairs of the City requires the issuance of such refunding bonds, and if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Prior Bonds;

WHEREAS, this City Council determines that prudent management of the fiscal affairs of the City requires the issuance of City of Oakland General Obligation Refunding Bonds, Series 2012 (the "Refunding Bonds") for the purpose of refunding all or a portion of the Prior Bonds according to the terms and in the manner hereinafter set forth; and

WHEREAS, there have been submitted and are on file with the Clerk of this City Council (the "Clerk") proposed forms of a fiscal agent agreement, tentatively dated as of January 1, 2012 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"); an escrow agreement, tentatively dated as of January 1, 2012 (the "Escrow Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"); a continuing disclosure certificate, tentatively dated as of January 1, 2012 (the "Continuing

Disclosure Certificate”); an official statement (the “Official Statement”); and a bond purchase contract (the “Bond Purchase Contract”), by and among the City, Citigroup Global Markets Inc. and Loop Capital Markets LLC, as underwriters of the Refunding Bonds (collectively, the “Underwriters”), all with respect to the Refunding Bonds proposed to be issued and sold;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oakland as follows:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Authorization of Refunding Bonds and of Redemption of Prior Bonds; Application of Proceeds of Sale. This City Council hereby authorizes the sale and issuance of one or more series of refunding bonds of the City designated as the “City of Oakland General Obligation Refunding Bonds, Series 2012” (hereinafter referred to as the “Refunding Bonds”) in an aggregate principal amount not to exceed ninety-five million dollars (\$95,000,000), which amount shall be finally determined by the City Administrator, the Finance Director/Treasurer of the City, the Treasury Manager of the City or such other officer of the City designated by the City Administrator in writing (each such officer being hereinafter referred to as an “Authorized Representative”) in accordance with Section 3 hereof and the general laws of the State of California.

Proceeds from the sale of the Refunding Bonds are hereby authorized to be applied only as permitted by Article 9 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, including (but not limited to) to acquire escrow securities or otherwise to pay or provide for payment of the principal of the Prior Bonds upon redemption thereof; to pay all expenses incident to the calling, retiring or paying of the Prior Bonds and the issuance of the Refunding Bonds, including charges of the Fiscal Agent in connection with the issuance and payment of the Refunding Bonds; charges of the Escrow Agent in connection with the redemption of the Prior Bonds; interest upon the Prior Bonds from the dated date of the Refunding Bonds to the maturity or earlier redemption date of the Prior Bonds; any premium payable upon the redemption of the Prior Bonds; and the costs of any bond insurance or other credit enhancement with respect to the Refunding Bonds.

Section 3. Terms of the Refunding Bonds. The Refunding Bonds shall be issued as current interest refunding bonds. The maximum nominal interest rate on the Refunding Bonds shall not exceed 8% per annum [*alternatively, per recommendation of the Finance & Management Committee*] 5% per annum], payable as described in the Fiscal Agent Agreement referred to in Section 4 hereof. The Refunding Bonds shall mature on a date or dates, in such of the years, and concluding no later than the final maturity of the Prior Bonds, as shall be specified in the Bond Purchase Contract described in Section 8 hereof

The aggregate principal amount of Refunding Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Bond Purchase Contract. All other terms of

the Refunding Bonds required by Sections 53553 and 53554 of the Government Code and not otherwise specified herein shall be as specified in the Fiscal Agent Agreement.

Section 4. Tax Levy. For the purpose of paying principal of and interest on the Refunding Bonds, the City Council shall, at the time of making the general tax levy after incurring the bonded indebtedness, and annually thereafter until the Refunding Bonds are paid or until there is a sum in the treasury of the City set apart for that purpose sufficient to meet all payments of principal and interest on the Refunding Bonds as they become due, levy and collect a tax sufficient to pay the interest on the Refunding Bonds and such part of the principal as will become due before the proceeds of a tax levied at the next general tax levy will be available; provided, however, that if it is expected that all or any part of the Refunding Bonds will be sold at such time that the principal of or interest on such Bonds will become due before the proceeds of a tax levied after such sale would be available to pay such principal or interest, the City Council, at the time of fixing the annual tax levy, may levy a tax in an amount clearly sufficient to pay that portion of the principal of and interest on the Refunding Bonds which it is expected will become due before the proceeds of the next succeeding tax levy will be available. Such taxes shall be levied and collected as other City taxes and shall be in addition to all other taxes and shall be used only for payment of the principal of the Refunding Bonds and interest thereon. Said taxes as collected shall be forthwith paid into the fund for which the same were levied and collected and which shall be designated the "City of Oakland General Obligation Refunding Bond Debt Service Fund, Series 2012" (the "Debt Service Fund"), and all sums to become due for the principal of and interest on the Refunding Bonds shall be paid from such Debt Service Fund.

When all of the principal of and interest on the Refunding Bonds shall have been paid, any balance of money then remaining in said Debt Service Fund shall be transferred to the general fund of the City.

Section 5. Fiscal Agent Agreement. The form of the Fiscal Agent Agreement, in substantially the form on file with the Clerk, is hereby approved and authorized. The Authorized Representative is hereby authorized and directed to execute and deliver an instrument in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof

Section 6. Escrow Agreement. The form of Escrow Agreement, in substantially the form on file with the Clerk, is hereby approved and authorized. The Authorized Representative is hereby authorized and directed to execute and deliver an instrument in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof

Section 7. Official Statement. The form of Official Statement relating to the Refunding Bonds, in substantially the form on file with the Clerk, is hereby approved, with such

changes, additions and modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Representative is hereby authorized to certify that the preliminary form of the Official Statement was deemed final as of its date within the meaning of Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by the Rule). The Underwriters are hereby authorized to prepare and distribute copies of such Official Statement in preliminary form to persons who may be interested in purchasing the Refunding Bonds. The Authorized Representative is hereby authorized and directed to sign the Official Statement in its final form, including the final pricing information, and to furnish the Underwriters with copies thereof, and the Underwriters are hereby authorized and directed to deliver copies of such Official Statement in final form to subsequent purchasers of the Refunding Bonds.

Section 8. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate, in substantially the form on file with the Clerk, is hereby approved and authorized. The Authorized Representative is hereby authorized to execute an instrument in substantially said form, completed with terms as shall be agreed to by the Authorized Representative in accordance with this Resolution, and with such additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate as finally executed and delivered.

Section 9. Bond Purchase Contract; Sale of Refunding Bonds. The Bond Purchase Contract, in substantially the form on file with the Clerk, is hereby approved and adopted as the contract for purchase and sale of the Refunding Bonds. The Authorized Representative is hereby authorized and directed to execute and deliver an instrument in substantially said form, completed with terms as the Authorized Representative shall have agreed to in accordance with this Resolution, and with such other additions, changes or modifications therein as the Authorized Representative, upon consultation with legal counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; *provided, however*, that (i) the total net interest cost to maturity on the Refunding Bonds plus the aggregate principal amount of the Refunding Bonds shall be less than the total net interest cost to maturity on the Prior Bonds plus the aggregate principal amount of the Prior Bonds; (ii) the Underwriters' discount shall not exceed 0.6% of the aggregate principal amount of the Refunding Bonds; and (iii) the Refunding Bonds shall otherwise conform to the limitations specified herein and imposed by the general laws of the State of California.

Section 10. Appointment of Bond Counsel and Financial Advisors. The appointment of Orrick, Herrington & Sutcliffe LLP as bond counsel and disclosure counsel ("Bond Counsel"), and the appointment of First Southwest Company and Westhoff, Cone & Holmstedt as financial advisors (collectively, the "Financial Advisors"), each with respect to the Refunding Bonds, is hereby reaffirmed.

Section 11. Authorization of Further Actions. (a) The Underwriters, Bond Counsel, the Financial Advisors and the appropriate City officials are hereby authorized and directed to continue to prepare the necessary legal documents to accomplish said financing and the other transactions authorized herein, and to take any and all necessary actions in connection therewith.

(b) The officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. The Authorized Representative is hereby authorized and directed to provide for the purchase of escrow securities, to engage certified public accountants to verify the sufficiency of funds deposited in escrow, to execute and deliver any and all notices, certificates and representations, including signature certificates, no-litigation certificates, tax certificates, certificates relating to continuing disclosure obligations, notices to the California Debt and Investment Advisory Commission, and certificates concerning the Official Statement describing the Refunding Bonds, and to enter into such agreements or contracts, including as may be necessary to obtain bond insurance with respect to the Refunding Bonds, fiscal agent services or verification agent services with respect to the Refunding Bonds, or escrow agent services with respect to the Prior Bonds, as such officers deem necessary and desirable to accomplish the purposes of this Resolution.

Section 12. Ratification of Actions. All actions heretofore taken by the officers and agents of the City with respect to the sale, execution and delivery of the Refunding Bonds, the acquisition of escrow securities, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 13. Effective Date. This Resolution shall take effect immediately from and after its adoption.

In Council, Oakland, California, December 6, 2011.

PASSED BY THE FOLLOWING VOTE:

AYES: BROOKS, BRUNNER, DE LA FUENTE, KERNIGHAN, NADEL, SCHAAF, and PRESIDENT REID

NOES:

ABSENT:

ABSTENTION:

ATTEST:

LA TONDA SIMMONS
City Clerk and Clerk of the City Council
City of Oakland, California

CERTIFICATE OF THE CITY CLERK

I, La Tonda Simmons, City Clerk and Clerk of the Council of the City of Oakland (the "City"), hereby certify that the foregoing is a full, true and correct copy of Resolution No. ___, duly adopted at a meeting of the City Council of the City duly and regularly held on December 6, 2011, of which meeting all of said City Council had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a true, complete and correct copy of the original resolution duly adopted at said meeting and entered in said minutes; and that said resolution has not been modified, amended, rescinded or revoked except as provided in such resolution in any manner since the date of their adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate this 6th day of December, 2011.

LA TONDA SIMMONS
City Clerk and Clerk of the City Council
City of Oakland, California