



FILED
OFFICE OF THE CITY CLERK
OAKLAND
2018 MAR 29 PM 4:25

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: Piedmont Pines Phase 1 2018 Limited
Obligation Refunding Bonds

DATE: March 19, 2018

City Administrator Approval

Date:

3/29/18

RECOMMENDATION

Staff Recommends That The City Council Adopt:

1. A Resolution Of Intention 1) To Levy Reassessments; And 2) To Issue Refunding Bonds Upon The Security Of The Reassessments, Relating To The City Of Oakland Utility Underground Assessment District No. 2007-232 Piedmont Pines Phase 1;
2. A Resolution 1) Adopting The Reassessment Report For The City Of Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1; 2) Confirming And Ordering The Reassessments; And 3) Authorizing And Directing Actions With Respect Thereto; And
3. A Resolution 1) Authorizing The Issuance Of Limited Obligation Refunding Bonds In An Amount Not To Exceed \$2,000,000 Pursuant To The Refunding Act Of 1984 For 1915 Act Improvement Bonds For The City Of Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1; 2) Approving A Fiscal Agent Agreement; 3) Approving An Escrow Agreement; 4) Authorizing Services For The Bonds; 5) Approving A Bond Purchase Agreement And Sale Of The Bonds; 6) Approving A Preliminary Official Statement; 7) Approving A Continuing Disclosure Certificate; And 8) Authorizing Related Actions.

EXECUTIVE SUMMARY

Staff recommends issuing the City of Oakland, California (the "City") Limited Obligation Refunding Bonds, Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (the "District") (Reassessment and Refunding of 2018) (the "Refunding Bonds") to be secured by reassessments levied on property within the District (the "Reassessments") to refund the City's 2010 Limited Obligation Improvement Bonds (the "Prior Bonds") for the purpose of reducing the annual assessment levies paid by property owners within the District.

The Refunding Bonds will be issued in an aggregate principal amount not to exceed \$2,000,000, a true interest cost ("TIC") not to exceed 5.50 percent (5.50%), and maturity date no later than September 2, 2039. Due to favorable interest rates, as of March 15, 2018,

Item: _____
Finance and Management Committee
April 10, 2018

refunding the Prior Bonds is expected to generate average annual debt service (“DS”) savings of approximately \$128,782 per year, totaling \$2.8 million through fiscal year (“FY”) 2039-40. The net present value (“NPV”) savings are expected to be \$370,928.21 or 13.74 percent (13.74%) of the refunded principal. Debt service savings generated by the Refunding Bonds will be realized by the property owners within the District in the form of a reduction in future annual assessment levies.

BACKGROUND / LEGISLATIVE HISTORY

The District is a special assessment district formed by the City to fund the costs of undergrounding various utilities of special benefit to property within the District (the “Improvements”). The District was formed by the City and the assessments (the “Assessments”) were levied under the Municipal Improvement Act of 1913, being Division 12 of the California Streets and Highways Code per Resolution Nos. 81272 C.M.S. and 81273 C.M.S. adopted on May 6, 2008 and Resolution Nos. 81476 C.M.S. and 81477 C.M.S. adopted on July 15, 2008.

The Prior Bonds, secured by the Assessments levied on property within the District, were issued in a principal amount of \$3,148,482.77 on March 9, 2010 to finance the Improvements. The Prior Bonds were issued pursuant to the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code per Resolution Nos. 82453 C.M.S. and 82454 C.M.S. adopted on December 8, 2009.

ANALYSIS AND POLICY ALTERNATIVES

To provide the most cost effective financing, staff continuously monitors refunding opportunities on all the City’s outstanding debt. Due to favorable interest rates, staff recommends issuance of the Refunding Bonds to refund the outstanding Prior Bonds for debt service savings. The Refunding Bonds will reduce the required annual assessment levies paid by property owners within the District. The reassessment engineer has calculated the required Reassessments and produced a reassessment report (the “Reassessment Report”). The Refunding Bonds are expected to generate debt service savings as described in **Table 1**.

Table 1: Debt Service Savings¹

| Item | Estimate as of 3/15/2018 |
|---|--------------------------|
| Total DS savings through FY 2039-40 | \$2.8 million |
| Total DS savings through FY 2039-40 per parcel ² | \$13,117 |
| Average annual savings | \$128,782 |
| Average annual DS savings per parcel ² | \$596 |
| NPV savings | \$370,928 |
| NPV savings as a percentage refunded principal | 13.74% |

¹ Interest rates for the Refunding Bonds will depend on market conditions at the time of sale of the Refunding Bonds

² Calculated by dividing DS savings by the remaining 216 parcels

The Refunding Bonds will be issued as tax-exempt, serial and/or term bonds in an aggregate principal amount equal to the unpaid Reassessments, but not to exceed \$2,000,000. The Refunding Bonds will have a final maturity date no later than September 2, 2039 and true interest cost not to exceed 5.50 percent (5.50%). Provisions of the Refunding Bonds are described in the Fiscal Agent Agreement. The Refunding Bonds will be sold in a public offering (i.e. pricing) by negotiated sale (due to the complexity of the transaction and to preserve structuring flexibility) to the underwriter in accordance with the Bond Purchase Agreement. The underwriter's discount will not exceed 2.00 percent (2.00%) of the principal amount of the Refunding Bonds. Bond proceeds from the sale of the Refunded Bonds will be held in trust 1) per the Escrow Agreement to redeem the outstanding Prior Bonds and 2) to pay costs of issuance. Principal and interest due (i.e. debt service) on the Refunding Bonds is payable from unpaid Reassessments levied on property within the District. **Table 2** and **Attachment A** describe the finance charges for the Refunding Bonds per Section 5852.1 of the Government Code.

Table 2: Finance Charges of Refunded Bonds³

| Item | Estimate as of 3/15/2018 |
|------------------------------------|--------------------------|
| True interest cost of the bonds | 3.86% |
| Finance charge of the bonds | \$229,400 |
| Bond proceeds received by the City | \$1.1 million |
| Total payment amount | \$2.2 million |

The City, with the assistance of its disclosure counsel and financing team, has prepared an Official Statement (in preliminary and final form) (the "OS") and a Continuing Disclosure Certificate ("CDC") for the Refunding Bonds. The OS is a disclosure document that describes the Refunding Bonds and the District and is published for the benefit of potential investors. The CDC identifies the City's disclosure requirements for the life of the Refunding Bonds.

The City anticipates pricing the Refunding Bonds on or about May 10, 2018, closing the transaction on or about June 6, 2018 and redeeming the Prior Bonds on September 2, 2018. Debt service savings will be realized by the property owners within the District in the form of a reduction in future annual assessment levies beginning in FY 2018-19.

Forms of the Reassessment Report, Fiscal Agent Agreement, Bond Purchase Agreement, Escrow Agreement, OS, and CDC are on file with the City Clerk. The resolutions and required financing documents have been prepared by qualified consultants working with staff. Harris & Associates has been retained to serve as reassessment engineer. Fieldman Rolapp & Associates, Inc. has been retained to serve as municipal advisor. Quint & Thimmig LLP has been retained to serve as bond counsel. Curis Bartling P.C. has been retained to serve as disclosure counsel. Wilmington Trust, National Association has been retained to serve as fiscal agent and escrow bank. Stifel Nicolaus & Company, Incorporated has been retained as underwriter.

³ Interest rates for the Refunding Bonds will depend on market conditions at the time of sale of the Refunding Bonds

FISCAL IMPACT

Debt service on the Refunding Bonds will be payable from the Reassessments levied annually on property within the District subject to the Reassessments on the County of Alameda's real property tax roll. Fees associated with issuance of the Refunding Bonds will be paid from proceeds of the Refunding Bonds, contingent upon closing of the transaction.

Debt service savings generated by the refunding will be realized by the property owners within the District in the form of a reduction in future annual assessment levies. The costs of administering the Refunding Bonds will be included in the annual Reassessments on property within the District. There is no direct fiscal impact for the City.

PUBLIC OUTREACH / INTEREST

This item did not require 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 Finance Department, Transportation Department, City Attorney's Office and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The refunding will reduce assessment levies on property within the District for benefit of property owners within the District.

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

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

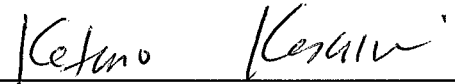
ACTION REQUESTED OF THE CITY COUNCIL

Staff Requests That The City Council Adopt:

1. A Resolution Of Intention 1) To Levy Reassessments; And 2) To Issue Refunding Bonds Upon The Security Of The Reassessments, Relating To The City Of Oakland Utility Underground Assessment District No. 2007-232 Piedmont Pines Phase 1;
2. A Resolution 1) Adopting The Reassessment Report For The City Of Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1; 2) Confirming And Ordering The Reassessments; And 3) Authorizing And Directing Actions With Respect Thereto; and
3. A Resolution 1) Authorizing The Issuance Of Limited Obligation Refunding Bonds In An Amount Not To Exceed \$2,000,000 Pursuant To The Refunding Act Of 1984 For 1915 Act Improvement Bonds For The City Of Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1; 2) Approving A Fiscal Agent Agreement; 3) Approving An Escrow Agreement; 4) Authorizing Services For The Bonds; 5) Approving A Bond Purchase Agreement And Sale Of The Bonds; 6) Approving A Preliminary Official Statement; 7) Approving A Continuing Disclosure Certificate; And 8) Authorizing Related Actions.

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

Respectfully submitted,



KATANO KASAINE
Finance Director, Finance Department

Reviewed by:
David Jones, Treasury Manager

Prepared by:
Jackie Lee, Financial Analyst
Treasury Bureau

Attachments (1):

Attachment A: Good Faith Financial Estimates Related to the Refunding Bonds

Attachment A
GOOD FAITH FINANCIAL ESTIMATES RELATED TO THE REFUNDING BONDS

The good faith financial estimates set forth herein are provided with respect to the Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Fieldman Rolapp & Associates, Inc. the City's Municipal Advisor (the "Municipal Advisor") in consultation with Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is \$1,470,000 (the "Estimated Principal Amount").

True Interest Cost of the Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Refunding Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Refunding Bonds, is 3.86%.

Finance Charge of the Refunding Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds), is \$229,400.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Refunding Bonds, less the finance charge of the Refunding Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Refunding Bonds, is \$1,109,300.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Refunding Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, is \$2,232,832.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Refunding Bonds and the actual

principal amount of Refunding Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2018 MAR 29 PM 4:25

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

**A RESOLUTION OF INTENTION 1) TO LEVY REASSESSMENTS;
AND 2) TO ISSUE REFUNDING BONDS UPON THE SECURITY OF
THE REASSESSMENTS, RELATING TO THE CITY OF OAKLAND
UTILITY UNDERGROUND ASSESSMENT DISTRICT NO. 2007-232
PIEDMONT PINES PHASE 1.**

WHEREAS, in order to finance various improvements related to the undergrounding of various utilities, the City Council (the "Council") of the City of Oakland (the "City") conducted special assessment proceedings pursuant to Resolution No. 81272 C.M.S., adopted by the City Council on May 6, 2008 (the "Prior Resolution of Intention"), and by those proceedings the City confirmed unpaid assessments upon the parcels in the City's Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (the "District"), and special assessment bonds entitled "City of Oakland, California Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, 2010 Limited Obligation Improvement Bonds" in the initial principal amount of \$3,148,482.77 (the "Prior Bonds") were issued and delivered, and the outstanding Prior Bonds are secured by the unpaid assessments; and

WHEREAS, due to the current low interest rates in the public debt market the future assessment levies on the parcels of property in the District may be reduced by means of the refunding of the Prior Bonds, and this Council intends to accomplish the refunding through the levy of reassessments and the issuance of refunding bonds (the "Refunding Bonds") upon the security thereof; and

WHEREAS, City Staff, working with such consultants, have caused to be prepared the documents needed for the refunding, and this Council now desires to proceed with the actions needed to reassess the property in the District and issue the Refunding Bonds to refund the outstanding Prior Bonds, all with the purpose and intent of reducing the annual assessment levies on property in the District; now, therefore be it

RESOLVED, by the City Council of the City of Oakland that the foregoing recitals are true and correct, and as follows:

1. Proceedings for the levy and collection of reassessments as security for the issuance and payment of the Refunding Bonds the proceeds of which are to be used to refund the Prior Bonds shall be conducted for the District pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, constituting Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code (the "Act").
2. The contemplated reassessment and refunding is of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon the

District the exterior boundaries of which are shown on a map thereof previously filed in the office of the City Clerk in connection with the Prior Resolution of Intention, and to which map reference is hereby made for further particulars. The map indicates by a boundary line the extent of the territory included in the District and governs for all details as to the extent thereof.

3. The reassessment and refunding is hereby referred to Harris & Associates, a qualified firm employed by the City for the purpose of the reassessment proceedings, and said firm is hereby directed to make and file with the City Clerk a report in writing presenting the following:
 - (a) A schedule setting forth the unpaid principal and interest on the Prior Bonds and the total amounts thereof.
 - (b) The total estimated principal amount of the reassessment and of the Refunding Bonds and the maximum interest rate thereon, together with an estimate of cost of the reassessment and of issuing the Refunding Bonds, including all costs of issuing the Refunding Bonds, as contemplated by subdivision (a) of Section 9600 of the Act.
 - (c) The auditor's record kept pursuant to Section 8682 of the California Streets and Highways Code showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof.
 - (d) The estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number on the reassessment diagram, together with a proposed auditor's record for the reassessment prepared in the manner described in said Section 8682.
 - (e) A reassessment diagram showing the District and the boundaries and dimensions of the subdivisions of land within the District. Each subdivision, including each separate condominium interest as defined in Section 783 of the California Civil Code, shall be given a separate number upon the diagram.

When any portion or percentage of the costs and expenses of the refunding and reassessment is to be paid from sources other than reassessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of the refunding and reassessment, and the reassessments shall include only the remainder of the estimated cost and expenses.

It is hereby acknowledged that delinquencies in the payment of assessments previously levied on parcels in the District that are not fully cured by the date hereof will not in any way be supplanted or extinguished by these proceedings.

4. If any excess shall be realized from the reassessments it shall be used in such amounts as this Council may determine, in accordance with the provisions of applicable law, and in a manner to be provided in these reassessment proceedings.

5. Notice is hereby given that serial and/or term Refunding Bonds to represent reassessments, and to bear interest at an average interest rate of not in excess of six percent (6%) per annum, will be issued in the manner provided by the Act, the last installment of which Refunding Bonds shall mature not later than September 2, 2039. It is the intention of this Council that the City will not obligate itself to advance available funds from the treasury of the City to cure any deficiency in the redemption fund to be created with respect to the Refunding Bonds; provided, however, that a determination not to obligate the City shall not prevent the City from, in its sole discretion, so advancing the funds.

6. The provisions of Part 11.1 of Division 10 of the California Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds to be issued pursuant to the reassessment proceedings.

7. It is the intention of this Council to create a special reserve fund pursuant to and as authorized by Part 16 of Division 10 of the California Streets and Highways Code with respect to the Refunding Bonds.

; and be it

FURTHER RESOLVED, that this resolution shall be effective immediately upon passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2018

Passed By The Following Vote:

Ayes – BROOKS, GALLO, GIBSON MACELHANEY, GUILLEN, KALB, KAPLAN, WASHINGTON, and PRESIDENT REID

Noes –

Absent –

Abstention –

ATTEST: _____

LaTonda Simmons
 City Clerk and Clerk of the Council
 of the City of Oakland, California

OAKLAND CITY COUNCIL

2010 MAR 29 PM 4:25

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION 1) ADOPTING THE REASSESSMENT REPORT FOR THE CITY OF OAKLAND UTILITY UNDERGROUND ASSESSMENT DISTRICT NO. 2007-232, PIEDMONT PINES PHASE 1; 2) CONFIRMING AND ORDERING THE REASSESSMENTS; AND 3) AUTHORIZING AND DIRECTING ACTIONS WITH RESPECT THERETO.

WHEREAS, the City Council (the "Council") of the City of Oakland (the "City") has adopted A Resolution of Intention 1) to Levy Reassessments; and 2) to Issue Refunding Bonds Upon the Security Thereof, Relating to the City's Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (the "Resolution of Intention"), wherein this Council directed the making and filing of a reassessment report (the "Report") in accordance with and pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, constituting Division 11.5 of the California Streets and Highways Code (the "Act"); and

WHEREAS, this Council has determined that in order to reduce future assessment levies on property in the Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (the "District") it is desirable that the outstanding City of Oakland, California, Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, 2010 Limited Obligation Improvement Bonds (the "Prior Bonds") issued for the District be refunded and reassessments be levied as security for limited obligation refunding bonds the proceeds of which will be used to refund the Prior Bonds; and

WHEREAS, the Report was duly made and filed with the City Clerk, and the Report has been duly considered by this Council with the assistance of City Staff and found to be sufficient in every particular, and the Report shall stand for all subsequent proceedings under and pursuant to the Resolution of Intention; and

WHEREAS, the City desires to issue refunding bonds (the "Refunding Bonds") for the District pursuant to the Act, the proceeds of which Refunding Bonds will be used to refund the outstanding Prior Bonds; now, therefore be it

RESOLVED, by the City Council of the City of Oakland that the foregoing recitals are true and correct, and as follows:

1. Pursuant to Section 9525 of the Act, and based upon the Report, this Council finds that all of the following conditions are satisfied:
 - (a) each estimated annual installment of principal and interest on the reassessment, as set forth in the Report, is less than the corresponding

annual installment of principal and interest on the portion of the original assessment being superseded and supplanted as also set forth in the Report, by the same percentage for all subdivisions of land with the District (with any amount added to a reassessment because of a delinquency in payment of the original assessment not being considered in this calculation);

- (b) the number of years to maturity of the Refunding Bonds proposed to be issued is not more than the number of years to the last maturity of the Prior Bonds; and
 - (c) the principal amount of the reassessment on each subdivision of land within the District is less than the unpaid principal amount of the portion of the original assessment being superseded and supplanted by the same percentage for each subdivision of land within the District (with any amount added to a reassessment because of a delinquency in payment of the original assessment not being considered in this calculation).
2. The public interest, convenience and necessity require that the reassessment be made.
3. The land in the District benefited by the reassessment and to be reassessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by the reassessment diagram a copy of which is attached to the Report, which reassessment diagram is made a part of this Resolution by this reference thereto.
4. Pursuant to the findings above with respect to Section 9525 of the Act, the conditions set forth therein for the reassessment are deemed satisfied and the following elements of the Report are hereby finally approved and confirmed without further proceedings, including without the conduct of a public hearing under the Act:
- (a) a schedule setting forth the unpaid principal and interest on the Prior Bonds to be refunded and the total amounts thereof;
 - (b) an estimate of the total principal amount of the reassessment and of the Refunding Bonds and the maximum interest rate thereon, together with an estimate of cost of the reassessment and of issuing the Refunding Bonds, including expenses incidental thereto;
 - (c) the auditor's record kept pursuant to Section 8682 of the California Streets and Highways Code showing the respective schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof;
 - (d) the estimated amount of each reassessment, identified by reassessment number corresponding to the reassessment number of the reassessment diagram, together with a proposed auditor's record for the reassessment prepared in the manner described in said Section 8682; and

- (e) a reassessment diagram showing the District and the boundaries and dimensions of the subdivisions of land therein, assigning a separate number to each such subdivision of land.

Final adoption and approval of the Report as a whole, including the estimate of the costs and expenses, the reassessment diagram and the reassessment, as contained in the Report, as hereinabove determined and ordered, is intended to and shall refer and apply to the Report, or any portion thereof, as amended, modified, revised or corrected by, or pursuant to and in accordance with, any resolution or order, if any, duly adopted or made by this Council, or by the Director of Finance or City Administrator as authorized pursuant to Sections 6 and 9, respectively, below.

- 5. Based on the oral and documentary evidence, including the Report, offered and received by this Council, this Council expressly finds and determines:
 - (a) that each of said several subdivisions of land within the District will be specially benefited by the reassessment at least in the amount, if not more than the amount, of the reassessment apportioned against said subdivisions of land, respectively, and
 - (b) that there is substantial evidence to support, and the weight of said evidence preponderates in favor of, the aforesaid finding and determination as to special benefits.
- 6. The reassessment, including all costs and expenses thereof, is hereby approved, confirmed and levied. Pursuant to the provisions of the Act, reference is hereby made to the Resolution of Intention for further particulars. The reassessment shall be reduced in the event that the Director of Finance determines that to do so is necessary and advisable to further the purposes of this Resolution, and, if such determination is made, the Director of Finance is hereby authorized and directed to record said reduced reassessment in the manner set forth in Section 9 hereof, and to take any further actions required to finalize said reduction, without further action of this Council.

It is hereby acknowledged that delinquencies in the payment of assessments previously levied on parcels in the District that are not fully cured by the date hereof will not in any way be supplanted or extinguished by these proceedings.

- 7. The City Clerk shall forthwith cause:
 - (a) the reassessment to be delivered to the official of the City who acts as the Superintendent of Streets of the City, together with the reassessment diagram, as approved and confirmed by this Council, with a certificate of such confirmation and of the date thereof, executed by the City Clerk, attached thereto. The Superintendent of Streets shall record the reassessments and the reassessment diagram in a suitable book to be kept for that purpose, and append thereto a certificate of the date of such

recording, and such recordation shall be and constitute the reassessment roll for the District;

- (b) a copy of the reassessment diagram and a notice of reassessment, in the form specified in Section 3114 of the California Streets and Highways Code and executed by the City Clerk, to be filed and recorded in the office of the County Recorder of the County of Alameda; and
- (c) a copy of this Resolution to be provided to the Auditor of the County of Alameda.

From the date of recording of the notice of reassessment, all persons shall be deemed to have notice of the contents of such reassessment, and each of the reassessments shall thereupon be a lien upon the property against which it is made, and, unless sooner discharged, such liens shall so continue for the period of ten (10) years from the date of said recordation, or in the event bonds are issued to represent the reassessments, until the expiration of four (4) years after the due date of the last installment upon the bonds or of the last installment of principal of the bonds.

The appropriate officer or officers of the City are hereby authorized to pay any and all fees required by law in connection with the above.

- 8. The Director of Finance shall keep, or cause to be kept, the record showing the several installments of principal and interest on the reassessments which are to be collected each year during the term of the Refunding Bonds. An annual apportionment of each reassessment, together with annual interest on said reassessment, shall be payable in the same manner and at the same time and in the same installments as the general ad valorem property taxes and shall be payable and if not paid shall become delinquent at the same time and in the same proportionate amount. Each year the annual installments shall be submitted to the County Auditor-Controller for purposes of collection, and the County Auditor-Controller shall, at the close of the tax collecting period, promptly render to the Director of Finance a detailed report showing the amount of such installments, interest, penalties and percentages so collected.
- 9. The City Administrator, or her designee, is hereby authorized and directed (a) to revise the Report to reduce the applicable reassessments, as confirmed pursuant to Section 6 hereof, if and to the extent necessary so that the aggregate amount thereof does not exceed the initial principal amount of the Refunding Bonds, (b) to amend the reassessment and reassessment diagram to reflect such reductions, and (c) to promptly record the reassessment, together with the reassessment diagram, as so amended, in the office of the Superintendent of Streets of the City. Immediately thereafter, a copy of the reassessment diagram, as so amended, shall be filed in the office of the County Recorder and a Notice of Reassessment, referring to the reassessment diagram, shall be recorded in the office of the County Recorder, all pursuant to the provisions of Division 4.5 of the California Streets and Highways Code.

; and be it

FURTHER RESOLVED, that this resolution shall be effective immediately upon passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2018

Passed By The Following Vote:

Ayes – BROOKS, GALLO, GIBSON MACELHANEY, GUILLEN, KALB, KAPLAN, WASHINGTON, and
PRESIDENT REID

Noes –

Absent –

Abstention –

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California


03050.03:J15068

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 MAR 29 PM 4:25

OAKLAND CITY COUNCIL

Approved as to Form and Legality


City Attorney

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION 1) AUTHORIZING THE ISSUANCE OF LIMITED OBLIGATION REFUNDING BONDS IN AN AMOUNT NOT TO EXCEED \$2,000,000 PURSUANT TO THE REFUNDING ACT OF 1984 FOR 1915 ACT IMPROVEMENT BONDS FOR THE CITY OF OAKLAND UTILITY UNDERGROUND ASSESSMENT DISTRICT NO. 2007-232, PIEDMONT PINES PHASE 1; 2) APPROVING A FISCAL AGENT AGREEMENT; 3) APPROVING AN ESCROW AGREEMENT; 4) AUTHORIZING SERVICES FOR THE BONDS; 5) APPROVING A BOND PURCHASE AGREEMENT AND SALE OF THE BONDS; 6) APPROVING A PRELIMINARY OFFICIAL STATEMENT; 7) APPROVING A CONTINUING DISCLOSURE CERTIFICATE; AND 8) AUTHORIZING RELATED ACTIONS.

WHEREAS, the City Council (the "Council") of the City of Oakland (the "City") has adopted A Resolution of Intention to Levy Reassessments; 2) to Issue Refunding Bonds Upon the Security Thereof, Relating to the City's Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (the "Resolution of Intention") relating to the levy and collection of reassessments as security for the issuance and payment of a series of refunding bonds for the City's Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (the "District"), and in the Resolution of Intention this Council provided that serial and/or term bonds would be issued pursuant to the provisions of the Refunding Act of 1984 for 1915 Act Improvement Bonds, constituting Division 11.5 of the California Streets and Highways Code (the "Act") for the District, and reference to the Resolution of Intention is hereby expressly made for further particulars; and

WHEREAS, this Council also has adopted A Resolution 1) Adopting Reassessment Report for the City of Oakland Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1; 2) Confirming and Ordering the Reassessments; and 3) Authorizing and Directing Actions With Respect Thereto, adopting a reassessment report (the "Report"), which Report set forth a list of the reassessments in the District which remain unpaid (the "List of Unpaid Reassessments"); and

WHEREAS, this Council has determined that, due to favorable interest rates, it is in the best interests of the owners of land in the District that bonds be issued secured by the reassessments (the "Refunding Bonds") to refund the outstanding City of Oakland, California Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1, 2010 Limited Obligation Improvement Bonds (the "Prior Bonds"); and

WHEREAS, it is appropriate that the City designate a municipal advisor, a bond counsel, and a disclosure counsel to assist in the proceedings to issue the Refunding Bonds; and

WHEREAS, there has been submitted to this Council a fiscal agent agreement (the “Fiscal Agent Agreement”) providing for the issuance of the Refunding Bonds, and this Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order, and this Council now desires to approve the Fiscal Agent Agreement and the issuance of the Refunding Bonds; and

WHEREAS, there has been submitted to this Council an escrow agreement (the “Escrow Agreement”) providing for the creation of a fund which will be used to refund and redeem the Prior Bonds and this Council now desires to approve the Escrow Agreement in connection with the refunding of the Prior Bonds; and

WHEREAS, it appears that each of said documents referenced above is in appropriate form and is an appropriate document to be executed and delivered for the purpose intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act; now, therefore be it

RESOLVED, by the City Council of the City of Oakland that the foregoing recitals are true and correct, and as follows:

1. The reassessments that remain unpaid are as shown on the List of Unpaid Reassessments set forth in the Report, which List of Unpaid Reassessments is hereby approved and incorporated herein by this reference; and for a particular description of the lots or parcels of land bearing the respective reassessment numbers set forth in the List of Unpaid Reassessments, reference is hereby made to the reassessment and to the diagram, and any amendments thereto, all as shown in the Report recorded in the office of the person acting as Superintendent of Streets of the City.
2. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, refunding bonds designated as “City of Oakland, California Limited Obligation Refunding Bonds Utility Underground Assessment District No. 2007-232, Piedmont Pines Phase 1 (Reassessment and Refunding of 2018)” (referred to herein as the “Refunding Bonds”) shall be issued in an aggregate principal amount equal to the unpaid Reassessments, but not in any event in a principal amount in excess of \$2,000,000. The Refunding Bonds shall be issued at such rate or rates of interest, in such form or forms, with such maturities and upon such provisions, covenants and conditions, all of which shall be as specified by the City pursuant to the terms of the Fiscal Agent Agreement; provided, however, no Refunding Bonds shall be authorized in excess of the total aggregate amount of the unpaid reassessments.
3. Fieldman, Rolapp & Associates, Inc. is hereby designated to serve as municipal advisor in connection with the issuance of the Refunding Bonds. Council acknowledges the City Attorney’s selection of Quint & Thimmig LLP to serve as

bond counsel and Curls Bartling P.C. to serve as disclosure counsel in connection with the issuance of the Refunding Bonds.

4. The Fiscal Agent Agreement, in the form on file with the City Clerk, which Fiscal Agent Agreement contains provisions for the payment of and covenants relating to the Refunding Bonds, is hereby approved. The City Administrator, or her designee, is hereby authorized and directed to execute the Fiscal Agent Agreement on behalf of the City in such form, together with such changes thereto as may be approved by the Director of Finance upon consultation with the City Attorney and Bond Counsel, the approval of such changes to be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by the City.

This Council hereby approves the refunding of the Prior Bonds with the proceeds of the Refunding Bonds, in accordance with the provisions of the documents pursuant to which the Prior Bonds were sold and delivered, and an Escrow Agreement between the City and Wilmington Trust, National Association as the fiscal agent for the Prior Bonds, and as escrow bank thereunder. This Council hereby approves the Escrow Agreement in the form on file with the City Clerk. This Council hereby authorizes and directs the City Administrator, or her designee, to execute and deliver the Escrow Agreement on behalf of the City in such form, together with any changes therein or additions thereto deemed advisable by the Director of Finance upon consultation with Bond Counsel and the City Attorney, the approval of such changes to be conclusively evidenced by the execution and delivery of the Escrow Agreement by the City.

The designated costs of issuing the Refunding Bonds, which shall include any applicable costs described in Section 9600(a) of the Act, shall be paid from the proceeds of the sale of the Refunding Bonds or other funds held by the City for the benefit of the District.

5. Wilmington Trust, National Association is hereby designated to act as the Fiscal Agent for the Refunding Bonds and as the escrow bank for the Prior Bonds, and to perform the actions and duties required of the Fiscal Agent under the Fiscal Agent Agreement (including those for the authentication, transfer, registration, and payment of the Refunding Bonds), and to perform the actions and duties required of the escrow bank under the Escrow Agreement. The City Administrator, or her designee, is hereby authorized to enter into an agreement with the Fiscal Agent for its services as the Fiscal Agent under the Fiscal Agent Agreement.
6. The Bond Purchase Agreement (the "Purchase Contract"), in the form on file with the City Clerk, is hereby approved. The City Administrator, or her designee, is hereby authorized and directed, for and in the name and on behalf of the City, to accept the offer of Stifel Nicolaus & Company, Incorporated (the "Underwriter") to purchase the Refunding Bonds contained in the Purchase Contract (provided that the aggregate principal amount of the Refunding Bonds sold thereby is not in excess of the principal amount approved in Section 2 above, the true interest cost on the Refunding Bonds is not in excess of 5.50% per annum and the

underwriter's discount is not in excess of 2.00% of the principal amount of the Refunding Bonds) and to execute and deliver the Purchase Contract in said form, with such additions thereto or changes therein as are recommended or approved by the officer executing said document for the City upon consultation with the City Attorney and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the City of the Purchase Contract.

7. This Council hereby approves the preliminary official statement for the Refunding Bonds (the "Preliminary Official Statement") in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Director of Finance upon consultation with Disclosure Counsel. This Council authorizes and directs the Director of Finance, on behalf of the City, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Preliminary Official Statement prior to its distribution by the Underwriter to prospective purchasers of the Refunding Bonds.

The Underwriter, on behalf of the City, is authorized and directed to cause the Preliminary Official Statement to be distributed to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Refunding Bonds.

The Director of Finance is authorized and directed to assist the Disclosure Counsel in causing the Preliminary Official Statement to be brought into the form of final official statement (the "Final Official Statement"), and the City Administrator is hereby authorized and directed to execute the Final Official Statement. The City Administrator, or her designee, is hereby authorized and directed to execute a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purposes of such statement) were, at the time of sale of the Refunding Bonds, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Refunding Bonds, and do not, as of the date of delivery of the Refunding Bonds contain any untrue statement of material fact or omit to state material facts required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The execution and delivery by the City of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Director of Finance and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the City.

8. The Director of Finance is hereby authorized and directed to approve and execute a continuing disclosure certificate for the Refunding Bonds in the form attached to the Preliminary Official Statement. The execution by the City of such disclosure certificate shall be conclusive evidence of approval by the City of any such disclosure certificate.

9. The City Administrator, or her designee, is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest, the Refunding Bonds in the form provided in the Fiscal Agent Agreement. The Refunding Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Refunding Bonds by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser of the Refunding Bonds.

10. The City Administrator, the Director of Finance, the Treasury Manager, the City Clerk and any other officers or staff of the City are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Refunding Bonds and the refunding of the Prior Bonds in accordance with the provisions of this Resolution and as described in the Fiscal Agent Agreement and the Escrow Agreement.

; and be it

FURTHER RESOLVED, that this resolution shall be effective immediately upon passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2018

Passed By The Following Vote:

Ayes – BROOKS, GALLO, GIBSON MACELHANEY, GUILLEN, KALB, KAPLAN, WASHINGTON, and PRESIDENT REID

Noes –

Absent –

Abstention –

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

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