

**CITY OF OAKLAND
COUNCIL AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2005 JUN -2 AM 10:17

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: June 14, 2005
RE: A RESOLUTION REALLOCATING \$2,000,000 OF MEASURE G SERIES 2002A FUNDS, PREVIOUSLY ALLOCATED FOR PROJECTS AT THE OAKLAND MUSEUM OF CALIFORNIA, TO PROJECTS AT THE OAKLAND ZOO

SUMMARY

A resolution has been prepared authorizing and directing the reallocation of \$2 million from the proceeds of the City of Oakland General Obligation Bonds, Series 2002A, Measure G ("Measure G Series 2002A"), to projects at the Oakland Zoo from designated projects at the Oakland Museum of California (the "Oakland Museum"). This reallocation would be reversed upon the issuance of the second series of Measure G bonds, which is planned for 2006, so that the final distribution of the total Measure G bond proceeds from both series will remain the same as originally designated.

FISCAL IMPACTS

The proposed resolution will have no fiscal impact; its purpose is to expedite the completion of certain previously-authorized projects at the Oakland Zoo, using proceeds from the Measure G Series 2002A bonds.

BACKGROUND

At the City election held on March 5, 2002, the voters approved a ballot measure ("Measure G"), which authorized the issuance of up to \$59 million in bonds for the purposes of acquiring, renovating, improving, constructing, and financing existing and additional education facilities at the Oakland Zoo, the Oakland Museum, and the Chabot Space & Science Center. Of the total \$59 million, the Oakland Zoo and the Oakland Museum were designated to receive \$23.6 million (40%) each, and \$11.8 million (20%) was designated for the Chabot Space & Science Center.

Following City Council approval (Resolution No. 77157 C.M.S.), in November 2002 the City issued \$38 million of Measure G Series 2002A bonds, the first of two contemplated series of bonds under the Measure G authorization (a second series of \$21 million is expected to be issued in 2006). The proceeds of the Series 2002A bonds were intended to provide funding during the period 2002-2005 for projects authorized by Measure G. Of these proceeds, approximately \$8.3 million was allocated to the Oakland Zoo, \$17.7 million to the Oakland Museum, and \$11.7 million to the Chabot Space & Science Center.

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However, based on the current design and construction schedules of the respective projects, the Zoo projects will require a larger amount of their funding in the years 2002-2006; during this same period, the Museum projects will need less funding than the original allocation. Thus, in order to most efficiently utilize the proceeds of the Series 2002A bonds in advance of the anticipated issuance in 2006 of the second series of Measure G bonds, it would be advantageous to apply a larger share of the Series 2002A proceeds to projects at the Oakland Zoo, without affecting the 40:40:20 ratio for the total proceeds from both bond issues.

KEY ISSUES AND IMPACTS

Adjusting the allocation of the Measure G Series 2002A bond proceeds in light of the cashflow needs of the respective projects will maximize the efficient use of these proceeds, enabling the Oakland Zoo to complete as quickly as possible projects which were authorized in the original voter-approved bond measure, while not impacting the more back-loaded Oakland Museum projects, which will still receive the full amount of their authorized funding when needed, from the issuance of the second series of Measure G bonds.

SUSTAINABLE OPPORTUNITIES

Economic: The construction projects to be financed may include Oakland workers, and Oakland residents may be hired and employed in the expanded facilities, once completed.

Environmental: Every effort will be made to maximize energy efficiency in the facilities to be constructed.

Social Equity: The educational and cultural benefits of the proposed projects will be available to all residents of the City.

DISABILITY AND SENIOR CITIZEN ACCESS

All of the facilities to be constructed or improved will fully comply with local, state, and federal disability access standards, and will include enhancing disabled access for existing facilities.

RECOMMENDATIONS AND RATIONALE

Staff recommends reallocating \$2 million of the proceeds of Measure G Series 2002A from projects at the Oakland Museum to projects at the Oakland Zoo. The allocation of the second series of Measure G bonds will be set to ensure that for the Zoo and the Museum will each receive their full authorized 40% share (\$23.6 million each) of the total authorization of \$59 million. This short-term reallocation will allow for the most efficient use of the bond proceeds.

ACTION REQUESTED OF THE CITY COUNCIL

Council is requested to approve a resolution authorizing the reallocation of \$2 million of Measure G Series 2002A bond proceeds that were originally designated for the Oakland Museum to be used for projects at the Oakland Zoo.

Respectfully submitted,



WILLIAM E. NOLAND

Director, Finance and Management Agency

Prepared by:

Katano Kasaine
Treasury Manager

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE


OFFICE OF THE CITY ADMINISTRATOR

FILED
OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY
2005 JUN -2 PM 12:45
Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION REALLOCATING \$2,000,000 OF MEASURE G SERIES 2002A FUNDS, PREVIOUSLY ALLOCATED FOR PROJECTS AT THE OAKLAND MUSEUM OF CALIFORNIA, TO PROJECTS AT THE OAKLAND ZOO.

WHEREAS, on March 5, 2002, the voters approved a ballot measure ["Measure G"], which authorized the issuance of up to \$59 million in bonds for the purposes of acquiring, renovating, improving, constructing, and financing existing and additional education facilities at the Oakland Zoo, the Oakland Museum of California ["Oakland Museum"], and the Chabot Space & Science Center; and

WHEREAS, Measure G designated distribution of total authorized bond proceeds of \$59 million as follows: the Oakland Zoo 40% (\$23.6 million), the Oakland Museum 40% (\$23.6 million), and the Chabot Space & Science Center 20% (\$11.8 million); and

WHEREAS, in November 2002, the City of Oakland issued a portion of the authorized bonds, General Obligation Bonds, Series 2002A, Measure G ["Measure G Series 2002A"], in the amount of \$38 million allocating the proceeds of the issued bonds to the Oakland Zoo (approximately \$8.34 million), the Oakland Museum (approximately \$17.67 million), and the Chabot Space & Science Center (approximately \$11.71 million); and

WHEREAS, based on the design and construction schedules, the Zoo projects have need of a larger amount of funding in the years 2002-2006 than was originally allocated, while the Museum projects during this period will require less than their original allocation of the Measure G Series 2002A bond proceeds; and

WHEREAS, in order to most efficiently utilize the proceeds of the Measure G Series 2002A bonds in advance of the anticipated issuance of the second series of authorized Measure G bonds in 2006, it would be beneficial to apply a larger share of the Series 2002A proceeds to projects at the Oakland Zoo, while maintaining the 40:40:20 ratio for the total proceeds as set forth in Measure G;

NOW, THEREFORE, BE IT RESOLVED: That Measure G Series 2002A proceeds in the amount of \$2 million are hereby reallocated from projects at the Oakland Museum to projects at the Oakland Zoo; and be it further

RESOLVED: That the allocation of the anticipated second series of Measure G bonds be set to ensure that for the Oakland Zoo and the Oakland Museum will each receive its full authorized 40% (\$23.6 million each) from the total authorized bond proceeds of \$59 million, along with the full 20% (\$11.8 million) authorized for the Chabot Space & Science Center; and be it further

RESOLVED: That the Council hereby directs the City Administrator, the Director of the Finance and Management Agency, and other appropriate officers of the City to take such actions as are necessary to carry out this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES-

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary and Clerk of the Council of the
City of Oakland, California