

## AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Katano Kasaine

SUBJECT: 2012 LIMITED OBLIGATION  
REFUNDING IMPROVEMENT BONDS

DATE: July 5, 2012

City Administrator  
Approval

Date

7/05/12

COUNCIL DISTRICT: City-Wide

### RECOMMENDATION

Staff recommends that the City Council adopt the following pieces of legislation:

1. A resolution of intention to levy reassessments and to issue refunding bonds upon the security thereof;
2. A resolution adopting reassessment report, confirming and ordering the reassessment pursuant to summary proceedings and directing actions with respect thereto;
3. A resolution authorizing the issuance of Refunding Bonds, approving and directing the execution of a fiscal agent agreement, a bond purchase agreement and an escrow deposit and trust agreement, authorizing sale of bonds, approving and authorizing distribution of an official statement, and authorizing other related documents and actions with respect thereto, all in connection with Reassessment District No. 99-1; and
4. A resolution of the Oakland Joint Powers Financing Authority authorizing execution and delivery of an escrow deposit and trust agreement, and approving related agreements and actions.

### EXECUTIVE SUMMARY

The City previously issued its \$7.3 million Reassessment Revenue Bonds, Series 1999 ("1999 Reassessment Bonds") in July of 1999. The 1999 Reassessment Bonds were issued to refund and defease the City of Oakland Limited Obligation Improvement Bonds Series 1994, 1994A and 1994B. The 1999 Reassessment Bonds are currently outstanding in the amount of \$4.235 million with a final maturity of 2024 and are callable on any interest payment date. The next viable call date is September 2, 2012. In evaluating the 1999 Reassessment Bonds as a refunding candidate, the City must close its refunding bond issue in August 2012 in order to refund the 1999 Reassessment Bonds on a current basis. The City has collected the assessments to pay the 1999 Reassessment Bonds' principal and interest due on September 2, 2012. The proceeds generated

Item: \_\_\_\_\_  
City Council  
July 17, 2012

from the proposed refunding will be used to pay principal and interest on the outstanding 1999 Reassessment Bonds and defease the bonds on September 2, 2012.

Given that interest rates are at historical lows, the City has an opportunity to refund the 1999 Reassessment Bonds and generate savings which will be passed on to the property owners of the districts, thereby reducing the annual assessments for property owners in the Fire Area Utility Underground Assessment District ("the Fire Area District") and the Rockridge Water Improvements Assessment District (the "Rockridge District"). Based on market conditions as they existed on July 3, 2012, the proposed refunding is expected to generate approximately \$300,000 or 7% in net present value savings which results in approximately \$140 savings per parcel. In order to reflect the savings from the refunding on the 2012/2013 tax roll, staff is pursuing an August 2012 close for the refunding bond issue and a full redemption of the outstanding 1999 Reassessment Bonds on the next call date on September 2, 2012.

### OUTCOME

Approval of the recommendation will result in the issuance of the 2012 Limited Obligation Refunding Improvement Bonds (the "2012 Refunding Bonds") by the City at a lower interest rate than the prior 1999 Reassessment Bonds. Currently, the average interest rate of the 1999 Reassessment Bonds is 5.5%. As of market rates on July 3, 2012, the City expects to issue the 2012 Refunding Bonds with an approximate interest rate of 3.5%. This would produce net present value savings of approximately \$300,000. Consequently, the refunding will result in an approximate \$64 reduction in annual assessments paid by the property owners in the Fire Area and Rockridge Districts. The 2012 Refunding Bonds will be secured by liens on the parcels in the reassessment district.

### BACKGROUND/LEGISLATIVE HISTORY

The Oakland Joint Powers Financing Authority was established in 1993 through a Joint Exercise of Powers Agreement between the City of Oakland ("the City") and the former Oakland Redevelopment Agency. The Authority was formed through the Marks-Roos Local Bond Pooling Act of 1985 to facilitate financing of public capital improvements within the City.

In 1994, the City of Oakland formed the Fire Area District and the Rockridge District and issued bonds to finance (1) the undergrounding of utility lines in the area affected by the 1991 Oakland Hills firestorm and (2) improvements in the water mains and fire hydrants in upper Rockridge. The City issued limited obligation bonds for each of the districts (collectively, the "Local Obligation Bonds"), in the amounts of \$7,370,000 for the Fire Area District and \$876,135 for the Rockridge District.

On July 15, 1999, when interest rates were considerably lower than when the bonds were issued in 1994, the City issued Refunding Reassessment Bonds to refund the 1994 Local Obligation Bonds. Under the Marks-Roos Act, the City sold the Refunding Bonds to the Authority. The Authority subsequently issued \$7.3 million Reassessment Revenue Bonds at a lower interest rate

Item: \_\_\_\_\_  
City Council  
July 17, 2012

than the original 1994 Assessment District Bonds to finance the purchase of reassessment bonds issued by the City. The Reassessment Bonds refunded and defeased the City of Oakland Limited Obligation Improvement Bonds Series 1994, 1994A and 1994B. The City was able to garner approximately 16% in annual savings in the levy amounts for the districts.

### ANALYSIS

The proceeds from the 2012 Refunding Bonds will be used for purposes of defeasing and retiring the 1999 Reassessment Bonds. The City's issuance of the 2012 Refunding Bonds satisfies the criteria for refunding assessment bonds since it demonstrates the following:

- The principal amount of the proposed refunding is less than the principal amount of the existing assessments. The outstanding principal on the 1999 assessments is \$4,010,000; and the new principal on the refunding bonds would be approximately \$3,120,000.
- The annual debt service of the proposed refunding is less than the existing debt service of the assessments. The annual debt service on the 1999 assessments is approximately \$465,000, and the annual debt service on the refunding bonds is approximately \$320,000.
- The number of years to maturity of the proposed refunding is not more than the number of years to the last maturity of the bonds being refunded. The final maturity remains the same as the 1999 bonds (September 2, 2024).

The proposed refunding will be a current refunding of the 1999 Reassessment Bonds, which means that the 2012 Refunding Bonds will be issued 90 days before the redemption date of the refunded bonds. The timing of the bond sale is expected to be in August 2012, and the outstanding 1999 Reassessment Bonds will be fully redeemed on September 2, 2012.

The savings generated from the refunding will purely benefit property owners in the Districts. Actual savings will depend on interest rates at the time of the sale of the 2012 Refunding Bonds.

### 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 Division in coordination with City Attorney's Office, and Budget Office.

Item: \_\_\_\_\_  
City Council  
July 17, 2012

**COST SUMMARY/IMPLICATIONS**

There are no costs associated with the proposed financing for the City. All costs, including both future debt service and costs of issuance, will be funded by the land-secured assessments.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** The refunding will result in a reduction to debt service costs, which manifests into savings for property owners in the districts through a reduction in annual assessments. The refunding is expected to generate more than \$300,000 in net present value savings.

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

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

**CEQA**

This report is not a project under CEQA.

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

Respectfully submitted,



KATANO KASAINÉ  
Treasurer

Prepared by:  
Bernadette de Leon, Treasury Analyst III  
Treasury Division

Item: \_\_\_\_\_  
City Council  
July 17, 2012

2012 JUL -5 PM 5: 34

Approved as to Form and Legality

  
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_ C.M.S.

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**A RESOLUTION OF INTENTION TO LEVY REASSESSMENTS AND TO ISSUE  
REFUNDING BONDS UPON THE SECURITY THEREOF**

**REASSESSMENT DISTRICT NO. 99-1**

**WHEREAS**, (i) the City of Oakland (the "City") previously conducted special assessment proceedings for its Fire Area Utility Underground Assessment District No. 1994-1 and, in connection therewith, the City issued its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-1, Series 1994A" and its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-1, Series 1994B" (together, the "1994-1 Bonds") and (ii) the City previously conducted special assessment proceedings for its Assessment District No. 1994-2 (Rockridge Area Water Improvements) and, in connection therewith, the City issued its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-2, Series 1994B" (the "1994-2 Bonds"; together with the 1994-1 Bonds, the "1994 Bonds"); and

**WHEREAS**, subsequently, for the purpose of refunding the 1994 Bonds, (i) on June 29, 1999, this Council adopted its Resolution No. 75100, entitled "A Resolution of Intention to Conduct Reassessment and Reassessment Bond Proceedings – Reassessment District No. 99-1," (ii) on June 29, 1999, this Council adopted its Resolution No. 75101, entitled "A Resolution and Order Approving and Confirming Report and Reassessment and Making Findings and Determinations Related Thereto – Reassessment District No. 99-1," (iii) on June 29, 1999, this Council adopted its Resolution No. 75102, entitled "A Resolution Providing for the Issuance of Refunding Bonds; Approving and Authorizing the Execution of a Fiscal Agent Agreement, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and an Official Statement in Connection Therewith; and Authorizing and Approving Related Actions – Reassessment District No. 99-1," (iv) on July 27, 1999, the City issued its \$7,095,000 initial principal amount City of Oakland Limited Obligation Improvement Refunding Bonds, Reassessment District No. 99-1 (the "1999 Reassessment Bonds") and (v) on July 27, 1999, the Oakland Joint Powers Financing Authority (the "Authority") issued its \$7,255,000 initial principal amount Oakland Joint Powers Financing Authority Reassessment Revenue Bonds, Series 1999 (the "1999 Authority Bonds") to finance acquisition of the City's 1999 Reassessment Bonds; and

**WHEREAS**, the public interest requires the refunding of the 1999 Reassessment Bonds and the 1999 Authority Bonds and this Council intends to accomplish the refunding through the

levy of reassessments in its Reassessment District No. 99-1 ("Reassessment District No. 99-1") and the issuance of refunding bonds upon the security of the reassessments, the proceeds of which refunding bonds will be used to refund the 1999 Reassessment Bonds; and

WHEREAS, this Council intends that the unpaid reassessments securing the payment of the 1999 Reassessment Bonds be superseded and supplanted by the reassessment; now, therefore be it

RESOLVED, by the City Council of the City of Oakland, as follows:

1. Recitals. The above recitals are true and correct.
2. Proceedings Authorized. This Council hereby declares its intention to refund the 1999 Reassessment Bonds and to levy reassessments as security for refunding bonds as provided in this Resolution. The proceedings for the levy and collection of reassessments as security for the issuance and payment of refunding bonds shall be conducted pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the "Act").
3. Reassessment Diagram. The contemplated reassessments and refunding, in the opinion of this Council, are of more than local or ordinary public benefit, and the costs and expenses thereof are made chargeable upon Reassessment District No. 99-1, the exterior boundaries of which are shown on a reassessment diagram thereof previously filed in the office of the City Clerk, and to be filed in the office of the County Recorder of the County of Alameda, to which reassessment diagram reference is hereby made for further particulars. The reassessment diagram indicates by a boundary line the extent of the territory included in Reassessment District No. 99-1 and shall govern for all details as to the extent of Reassessment District No. 99-1.
4. Reassessment Consultant; Report. The reassessment and refunding are hereby referred to NBS Government Finance (the "Reassessment Consultant"), and the Reassessment Consultant 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 1999 Reassessment Bonds to be refunded and the total amounts thereof and the unpaid reassessment being continued;
  - (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 defined by subdivision (a) of Section 9600 of the Act;
  - (c) The auditor's record kept pursuant to Section 8682 of the Streets and Highways Code of California showing the schedule of principal installments and interest on all unpaid reassessments 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 Section 8682 of the Streets and Highways Code of California; and

(e) A reassessment diagram showing Reassessment District No. 99-1 and the boundaries and dimensions of the subdivisions of land within Reassessment District No. 99-1. Each subdivision, including each separate condominium interest as defined in Section 783 of the Civil Code, shall be given a separate number upon the diagram.

When any portion or percentage of the costs and expenses of said 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 said refunding and reassessment, and said reassessments shall include only the remainder of the estimated cost and expenses. If any excess shall be realized from the reassessment it shall be used, in such amounts as this Council may determine, in accordance with the provisions of law, in a manner or manners to be provided in these proceedings.

5. Refunding Bonds. Notice is hereby given that serial or term bonds, or both, to represent said reassessments, and bear interest at the rate of not to exceed twelve percent (12%) per annum, or such higher rate of interest as may be authorized by applicable law at the time of sale of such bonds, will be issued hereunder in the manner provided by the Act, the last installment of which bonds shall mature not later than September 2, 2024. It is the intention of the City 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 said bonds; provided, however, that a determination not to obligate itself shall not prevent the City from, in its sole discretion, so advancing the funds.

6. Reserve Fund. 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 Act with respect to the refunding bonds and that the amount of the fund shall be included in the reassessment.

7. Bond Call Procedures. The provisions of Part 11.1 of Division 10 of the Streets and Highways Code of California, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to refunding bonds issued pursuant to proceedings under this resolution.

8. Bond Counsel and Disclosure Counsel. The firms of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curlls Bartling P.C. are hereby appointed as bond counsel and disclosure counsel, respectively, for the purpose of said reassessment and refunding proceedings as set forth in agreements on file with the City Clerk, execution of which agreements by the City Attorney is hereby approved. The fees of said law firms will be fixed by the City Attorney in the reassessment and refunding proceedings and will be paid only upon the successful completion of the proposed reassessment and refunding and from the proceeds of the refunding bonds.

9. Effective Date. This Resolution shall take effect upon the date of its adoption.

IN COUNCIL, OAKLAND, CALIFORNIA \_\_\_\_\_, 20\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

**NOES -**

**ABSENT -**

**ABSTENTIONS -**

**ATTEST:** \_\_\_\_\_


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



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2012 JUL -5 PM 5:34

Approved as to Form and Legality

  
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_ C.M.S.

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**A RESOLUTION ADOPTING REASSESSMENT REPORT, CONFIRMING AND ORDERING THE REASSESSMENT PURSUANT TO SUMMARY PROCEEDINGS AND DIRECTING ACTIONS WITH RESPECT THERETO**

**REASSESSMENT DISTRICT NO. 99-1**

**WHEREAS**, on July 17, 2012, this Council adopted its Resolution No. \_\_\_\_, entitled "A Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds Upon the Security Thereof," (the "Resolution of Intention"), in and for the City of Oakland's (the "City") Reassessment District No. 99-1 ("Reassessment District No. 99-1"), and therein directed the making and filing of a reassessment report (the "Report") in writing in accordance with and pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the "Act"); and

**WHEREAS**, the Report was duly made and filed, and duly considered by this Council 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; now, therefore be it

**RESOLVED**, by the City Council of the City of Oakland, as follows:

1. **Conditions Satisfied.** Pursuant to Section 9525 of the Act, and based upon the Report, this Council finds that all of the following conditions are satisfied that:

(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 prior unpaid reassessment being superceded and supplanted as also set forth in the Report, by the same percentage for all subdivisions of land within Reassessment District No. 1999-1. Any amount added to the annual installments on the reassessment due to a delinquency in payment on the prior unpaid reassessment does not need to be considered in this calculation.

(b) The number of years to maturity of all refunding bonds proposed to be issued under the Resolution of Intention is no more than the number of years to the last maturity of the 1999 Reassessment Bonds.

(c) The principal amount of the reassessment on each subdivision of land within Reassessment District No. 99-1 is less than the unpaid principal amount of the

portion of the prior unpaid reassessment being superceded and supplanted by the same percentage for each subdivision of land in Reassessment District No. 1999-1.

2. Public Interest. The public interest, convenience and necessity require that the proposed reassessment be made.

3. Boundaries Approved. Reassessment District No. 99-1, which will be benefited by the reassessment and which will be reassessed to pay the costs and expenses of the reassessment and refunding of the 1999 Reassessment Bonds, and the exterior boundaries thereof, are as shown by the reassessment diagram thereof on file in the office of the City Clerk, which diagram is made a part hereof by reference thereto.

4. Report Approved. The City Council hereby finds that all of the conditions set forth in Section 9525 of the Act are satisfied and that the following elements of the Report are hereby finally approved and confirmed without further proceedings, including the conduct of a public hearing under the Act, to wit:

(a) A schedule setting forth the unpaid principal and interest on the 1999 Reassessment Bonds to be refunded and the total amounts thereof and the unpaid reassessment being continued;

(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 defined by subdivision (a) of Section 9600 of the Act;

(c) The auditor's record kept pursuant to Section 8682 of the Streets and Highways Code of California showing the schedule of principal installments and interest on all unpaid prior reassessments 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 the Section 8682; and

(e) A reassessment diagram showing Reassessment District No. 99-1 and the boundaries and dimensions of the subdivisions of land within Reassessment District No. 99-1. Each subdivision, including each separate condominium interest as defined in Section 783 of the Civil Code, shall be given a separate number upon the diagram.

5. Findings and Determinations. 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 said 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. Reassessment Levy. 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.

7. Recordings Directed. The City Clerk shall forthwith cause:

(a) the reassessment to be delivered to the Superintendent of Streets of the City, together with said reassessment diagram, as approved and confirmed by this Council, with a certificate of such confirmation and of the date thereof, executed by the Clerk, attached thereto. The Superintendent of Streets shall record said reassessment and 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 herein;

(b) a copy of the reassessment diagram and a notice of reassessment, substantially in the form specified in Section 3114 of the Streets and Highways Code of California and executed by the City Clerk, to be filed and recorded, respectively, 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 such reassessments shall thereupon be a lien upon the property against which it is made, and unless sooner discharged such liens shall so continue until the expiration of four (4) years after the due date of the last installment upon said bonds or of the last installment of principal of said 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. Levy of Reassessments. The Treasury Manager of the City shall keep 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 property taxes and shall be payable and become delinquent at the same time and in the same proportionate amount; provided that any reassessments on possessory interests shall be collected on the unsecured tax roll and shall be payable and become delinquent at the same time as other taxes levied on said unsecured roll. Each year the annual installments shall be submitted to the County of Alameda

for purposes of collection, and the County of Alameda Auditor-Controller shall, at the close of the tax collecting period, promptly render to the Treasury Manager a detailed report showing the amount of such installments, interest, penalties and percentages so collected.

9. Revision of the Report. The Treasury Manager 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 person acting as 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 Alameda County Recorder and a Notice of Reassessment, referring to the reassessment diagram, shall be recorded in the office of the Alameda County Recorder, all pursuant to the provisions of Division 4.5 of the California Streets and Highways Code.

10. Effective Date. This resolution shall take effect upon the date of its adoption.

IN COUNCIL, OAKLAND, CALIFORNIA July 17, 2012

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTIONS -

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2012 JUL -5 PM 5:34

Approved as to Form and Legality

  
City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_ C.M.S.

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**A RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING BONDS, APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT, A BOND PURCHASE AGREEMENT AND AN ESCROW DEPOSIT AND TRUST AGREEMENT, AUTHORIZING SALE OF BONDS, APPROVING AND AUTHORIZING DISTRIBUTION OF AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER RELATED DOCUMENTS AND ACTIONS WITH RESPECT THERETO**

### **REASSESSMENT DISTRICT NO. 99-1**

**WHEREAS**, (i) the City of Oakland (the "City") previously conducted special assessment proceedings for its Fire Area Utility Underground Assessment District No. 1994-1 and, in connection therewith, the City of Oakland (the "City") issued its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-1, Series 1994A" and its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-1, Series 1994B" (together, the "1994-1 Bonds") and (ii) the City previously conducted special assessment proceedings for its Assessment District No. 1994-2 (Rockridge Area Water Improvements) and, in connection therewith, the City issued its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-2, Series 1994B" (the "1994-2 Bonds"; together with the 1994-1 Bonds, the "1994 Bonds"); and

**WHEREAS**, subsequently, for the purpose of refunding the 1994 Bonds, (i) on June 29, 1999, this Council adopted its Resolution No. 75100, entitled "A Resolution of Intention to Conduct Reassessment and Reassessment Bond Proceedings – Reassessment District No. 99-1," (ii) on June 29, 1999, this Council adopted its Resolution No. 75101, entitled "A Resolution and Order Approving and Confirming Report and Reassessment and Making Findings and Determinations Related Thereto – Reassessment District No. 99-1," (iii) on June 29, 1999, this Council adopted its Resolution No. 75102, entitled "A Resolution Providing for the Issuance of Refunding Bonds; Approving and Authorizing the Execution of a Fiscal Agent Agreement, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and an Official Statement in Connection Therewith; and Authorizing and Approving Related Actions – Reassessment District No. 99-1," (iv) on July 27, 1999, the City issued its \$7,095,000 initial principal amount City of Oakland Limited Obligation Improvement Refunding Bonds, Reassessment District No. 99-1

(the "1999 Reassessment Bonds") and (v) on July 27, 1999, the Oakland Joint Powers Financing Authority (the "Authority") issued its \$7,255,000 initial principal amount Oakland Joint Powers Financing Authority Reassessment Revenue Bonds, Series 1999 (the "1999 Authority Bonds") to finance acquisition of the City's 1999 Reassessment Bonds; and

**WHEREAS**, this City Council has conducted proceedings under and pursuant to Resolution No. \_\_\_\_\_, entitled "A Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds Upon the Security Thereof," (the "Resolution of Intention"), adopted on July 17, 2012 (the "Resolution of Intention"), to authorize the levy of reassessments upon the land within its Reassessment District No. 99-1 ("Reassessment District No. 99-1"), and to issue bonds secured by said reassessments, the proceeds of which are to be used to refund the 1999 Reassessment Bonds, all as described therein; and

**WHEREAS**, pursuant to the Resolution of Intention, this City Council has provided for the issuance of limited obligation refunding improvement bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of the State of California (the "Bond Law"); and

**WHEREAS**, there is on file with the Treasury Manager of the City a list of all of the reassessments within Reassessment District No. 99-1 which remain unpaid (the "List of Unpaid Reassessments"); and

**WHEREAS**, there have been submitted to this City Council certain documents providing for the issuance of the bonds by the City for Reassessment District No. 99-1, and the use of the proceeds of those bonds to refund the 1999 Reassessment Bonds, including the forms of Fiscal Agent Agreement, Escrow Deposit and Trst Agreement, and Bond Purchase Agreement, and this City Council, with the aid of its staff, has reviewed said documents and found them to be in proper order; and

**WHEREAS**, there has also been submitted to this City Council a form of Preliminary Official Statement relating to the refunding improvement bonds, and this City Council, with the aid of its staff, has reviewed the Preliminary Official Statement; 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 said bonds and the levy of said special reassessments 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 Bond Law; now therefore be it

**RESOLVED**, by this Council of the City of Oakland, as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Unpaid Reassessments. The reassessments that remain unpaid are as shown on the List of Unpaid Reassessments, which is hereby approved and incorporated herein by this reference. The total amount of the unpaid reassessments is not-to-exceed \$3,900,000. For a particular description of the lots, pieces and 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 approved by this City Council, all as recorded in the office of the Superintendent of Streets of the City.

**Section 3. Bonds Authorized.** Pursuant to the Bond Law, this Resolution and the Fiscal Agent Agreement (hereafter defined), refunding improvement bonds of the City for the District designated as "City of Oakland 2012 Limited Obligation Refunding Improvement Bonds, Reassessment District No. 99-1" (the "Bonds") in an aggregate principal amount not-to-exceed \$3,900,000 are hereby authorized to be issued.

**Section 4. Fiscal Agent Agreement.** The proposed form of Fiscal Agent Agreement (the "Fiscal Agent Agreement") with respect to the Bonds in the form presented to this City Council at this meeting, is hereby approved. The City Manager or its designee or such other official of the City as may be designated by this Council (the "Authorized Official") is hereby authorized and directed to execute and deliver the Fiscal Agent Agreement in substantially said form, with such additions thereto or changes therein as are approved by the Authorized Official upon consultation with Jones Hall, A Professional Law Corporation, the City's bond counsel ("Bond Counsel"), including such additions or changes as are necessary or advisable, provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$3,900,000, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by the Authorized Official. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreement as finally executed.

**Section 5. Escrow Agreement.** The form of Escrow Deposit and Trust Agreement in the form presented to this City Council at this meeting is hereby approved. The Authorized Official is hereby authorized and directed to cause the same to be completed and executed on behalf of the City in substantially said form, with such additions thereto or changes therein as are approved by the Authorized Official upon consultation with Bond Counsel.

**Section 6. Sale of Bonds.** This City Council hereby approves the sale of the Bonds by negotiation with Stifel, Nicolaus & Company, dba Stone & Youngberg, a Division of Stifel Nicolaus, as underwriter (the "Underwriter"). The Bonds shall be sold pursuant to a bond purchase agreement (the "Bond Purchase Agreement") by and between the City and the Underwriter in the form on file with the City Clerk, together with any changes therein or additions thereto approved by the Treasury Manager upon consultation with Bond Counsel, whose execution thereof shall be conclusive evidence of such approval of any such additions and changes. The Bond Purchase Agreement shall be executed in the name and on behalf of the City by an Authorized Official upon submission of a proposal by the Underwriter to purchase the Bonds; provided, however, that such proposal is acceptable to the Treasury Manager and is consistent with the requirements of this Resolution. The amount of Underwriter's discount shall be not more than 1.1% of the par amount of the Bonds, exclusive of any original issue discount, and the true effective rate of interest to be borne by the Bonds (taking into account any original issue discount on the sale thereof) shall not exceed 4% per annum.

Section 7. Official Statement. This Council hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the Bonds in substantially the form on file with the City Clerk. The Authorized Official is hereby authorized to execute an appropriate certificate stating that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the underwriter in connection with the sale of the Bonds is hereby approved. The Authorized Official is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement upon consultation with Curll Bartling P.C., as disclosure counsel, and the execution thereof by the Authorized Official shall be conclusive evidence of such approval of any such changes and additions. The final Official Statement shall be executed in the name and on behalf of the City by the Authorized Official.

Section 8. Bonds Printed and Delivered. Upon the execution of the Bond Purchase Agreement, the Bonds shall be printed, authenticated and delivered, all in accordance with the applicable terms of the Fiscal Agent Agreement and the Authorized Official and other responsible City officials are hereby authorized and directed to take such actions as are required under the Bond Purchase Agreement and the Fiscal Agent Agreement to complete all actions required to evidence the delivery of the Bonds upon the receipt of the purchase price thereof from the purchaser.

Section 9. Actions. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates (including a continuing disclosure certificate or agreement), agreements (including any amendments to the Fiscal Agent Agreement for the 1999 Reassessment Bonds that are needed to accomplish the proposed refunding), contracts, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution, and any certificate, agreement, contract, and other document described in the documents herein approved.



Section 10. Effective Date. This Resolution shall take effect upon the date of its adoption.

IN COUNCIL, OAKLAND, CALIFORNIA \_\_\_\_\_, 2012

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTIONS -

ATTEST: \_\_\_\_\_

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

2012 JUL -5 PM 5: 34

OAKLAND JOINT POWERS FINANCING AUTHORITY

RESOLUTION NO. \_\_\_\_\_ J.P.F.A.

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**A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY  
OF AN ESCROW DEPOSIT AND TRUST AGREEMENT, AND  
APPROVING RELATED AGREEMENTS AND ACTIONS**

**WHEREAS**, the Oakland Joint Powers Financing Authority (the "Authority") is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of February 1, 1993, by and between the City of Oakland (the "City") and the City as successor agency to the Redevelopment Agency of the City of Oakland, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Joint Powers Act"), and is authorized pursuant to Article 4 of the Joint Powers Act (the "Bond Law") to, among other things, borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of the City to provide financing for public capital improvements of the City; and

**WHEREAS**, (i) the City previously conducted special assessment proceedings for its Fire Area Utility Underground Assessment District No. 1994-1 and, in connection therewith, the City issued its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-1, Series 1994A" and its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-1, Series 1994B" (the "1994-1 Bonds") and (ii) the City previously conducted special assessment proceedings for its Assessment District No. 1994-2 (Rockridge Area Water Improvements) and, in connection therewith, the City issued its "City of Oakland Limited Obligation Improvement Bonds, Fire Area Utility Underground Assessment District No. 1994-2, Series 1994B" (the "1994-2 Bonds"; together with the 1994-1 Bonds, the "1994 Bonds"); and

**WHEREAS**, subsequently, for the purpose of refunding the 1994 Bonds, (i) on June 29, 1999, the City Council adopted its Resolution No. 75100, entitled "A Resolution of Intention to Conduct Reassessment and Reassessment Bond Proceedings – Reassessment District No. 99-1," (ii) on June 29, 1999, the City Council adopted its Resolution No. 75101, entitled "A Resolution and Order Approving and Confirming Report and Reassessment and Making Findings and Determinations Related Thereto – Reassessment District No. 99-1," (iii) on June 29, 1999, the City Council adopted its Resolution No. 75102, entitled "A Resolution Providing for the Issuance of Refunding Bonds; Approving and Authorizing the Execution of a Fiscal Agent Agreement, a Bond Purchase Agreement, a Continuing Disclosure Certificate, and an Official Statement in Connection Therewith; and Authorizing and Approving Related Actions – Reassessment District No. 99-1," (iv) on July 27, 1999, the City issued its \$7,095,000 initial

principal amount City of Oakland Limited Obligation Improvement Refunding Bonds, Reassessment District No. 99-1 (the "1999 Reassessment Bonds") and (v) on July 27, 1999, the Authority issued its \$7,255,000 initial principal amount Oakland Joint Powers Financing Authority Reassessment Revenue Bonds, Series 1999 (the "1999 Authority Bonds") to finance acquisition of the City's 1999 Reassessment Bonds; and

WHEREAS, the City has determined that it is in the best financial interests of the City and the property owners within Reassessment District No. 99-1 to refinance the 1999 Reassessment Bonds, and to issue its City of Oakland 2012 Limited Obligation Refunding Improvement Bonds, Reassessment District No. 99-1 (the "Refunding Reassessment Bonds"); and

WHEREAS, the City will use the proceeds of the sale of the Refunding Reassessment Bonds to refund its outstanding 1999 Reassessment Bonds, which will result in a refunding of the 1999 Authority Bonds; and

WHEREAS, there have been submitted to the governing board of the Authority certain documents providing for the refunding of the 1999 Reassessment Bonds and the 1999 Authority Bonds, including the form of an Escrow Deposit and Trust Agreement; and

WHEREAS, the governing board of the Authority wishes at this time to authorize all proceedings relating to the refunding of the 1999 Reassessment Bonds and the 1999 Authority Bonds, and to approve the execution and delivery of all agreements and documents relating thereto; now, therefore be it

RESOLVED, by the members of the governing board of the Oakland Joint Powers Financing Authority, as follows:

Section 1. Approval of Refunding. The Board hereby approves the refunding of the 1999 Reassessment Bonds and approves and directs the refunding of the 1999 Authority Bonds.

Section 2. Escrow Agreement. The Board hereby approves the Escrow Deposit and Trust Agreement (the "Escrow Agreement") providing for the defeasance and redemption of the 1999 Reassessment Bonds and the 1999 Authority Bonds in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by the Executive Director or the Treasurer/Auditor (each, an "Authorized Officer") upon consultation with Jones Hall, A Professional Law Corporation, bond counsel ("Bond Counsel"), and the execution thereof by an Authorized Officer shall be conclusive evidence of such approval of any such changes or additions. The Board hereby authorizes and directs an Authorized Officer to execute, and the Secretary to attest and affix the seal of the Authority to, the final form of the Escrow Agreement for and in the name of the Authority. The Board hereby authorizes the delivery and performance of the Escrow Agreement.

Section 3. Official Actions. The Executive Director, the Treasurer/Auditor, the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all

actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized 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 shall be absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect upon the date of its adoption.

IN COUNCIL, OAKLAND, CALIFORNIA July 17, 2012

PASSED BY THE FOLLOWING VOTE:

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

NOES  
ABSENT  
ABSTENTION

ATTEST:

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LATONDA SIMMONS  
Secretary of the Oakland Joint Powers  
Financing Authority of the City of Oakland