



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Oakland-Alameda County Coliseum
Authority Refunding of 2012
Refunding Series A Bonds

DATE: October 21, 2021

City Administrator Approval

Date: Oct 21, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution (1) Approving Any Action By The Oakland-Alameda County Coliseum Authority Board That May Authorize The Executive Director To Proceed With And Complete Redemption And Refunding Of The 2012 Refunding Series A Lease Revenue Bonds By February 1, 2022; And (2) Authorizing The Council's Delegates To The Authority Board To Vote In Favor Of Any Such Action That Shall Be Considered By The Board, So Long As The Redemption And Refunding Does Not Extend The Maturity Date Of The Existing Bonds Or Increase The Obligations Imposed Upon The City.

EXECUTIVE SUMMARY

Adoption of the proposed resolution will approve action by the Oakland-Alameda County Coliseum Authority ("Authority") Board of Commissioners ("Board") and authorize the Council's delegates to the Authority Board to vote (per Rules of Procedure 25) in favor of action considered by the Board to authorize the Authority Executive Director to proceed with redemption and refunding of the Authority's Lease Revenue Bonds (Oakland Coliseum Project) 2012 Refunding Series A ("2012A Bonds"), so long as such redemption and refunding does not extend the maturity date of the existing bonds or increase the obligations imposed upon the City of Oakland ("City"). The Authority Board plans to consider the action at its November 19, 2021 meeting. Refunding the 2012A Bonds is anticipated to yield savings to, collectively, the Authority, the City and County of Alameda ("County") of approximately \$2.5 million. Refunding will result in a replacement of rental payments obligations assumed by the City and County.

BACKGROUND / LEGISLATIVE HISTORY

The Amended and Restated Joint Exercise of Powers Agreement ("JPA Agreement") between the City and the County established the Authority whose powers are exercised by a Board appointed by the City and the County. In May 2012, the Authority issued the 2012A Bonds to refund and redeem the then outstanding Authority 2000 Refunding Series C Lease Revenue Bonds. The 2012A Bonds are secured by and payable from base rental payments made to the

City Council
November 2, 2021

Authority by the City and County pursuant to a Master Lease for the RingCentral Stadium. The 2012A Bonds have an optional redemption date of February 1, 2022.

City Council Rules of Procedure 25, as amended, provides, among other things, that Councilmembers, the Mayor and City officials who represent the Council as delegates or alternates on any board, agency, authority, joint powers authority, commission, etc., "shall receive City Council authorization from a majority of the Council prior to casting vote(s) on behalf of the City on any matter which could have a significant economic or policy impact on the City or any matter of particular controversy" and "shall provide the City Council and/or the appropriate Council committee with regular informational reports regarding the issues, activities and agenda of the body" on which they serve.

ANALYSIS AND POLICY ALTERNATIVES

The current tax-exempt bonds were originally issued to finance the renovation of the Stadium and there is currently an outstanding debt amount of approximately \$45,410,000. The bonds are set to mature on February 1, 2025. The proposed structure does not extend the maturity and there are no increased ongoing costs to the City. The refunding will be structured as a taxable private placement with a bank. The private placement is the most efficient structure in this situation given the short duration of the maturity and no additional documentation and reporting requirements from the City compared to a public sale.

Staff recommends exercising the optional redemption right and refunding the 2012A Bonds to yield anticipated savings to, collectively, the Authority, the City and County of approximately \$2.5 million without extending the February 1, 2025 repayment maturity date of the bonds. The Authority Board will consider, at its November 19, 2021 Board meeting, an action to authorize the Executive Director of the Authority to proceed with and complete a redemption and refunding of the 2012A Bonds before February 1, 2022. The redemption and refunding will result in a replacement of rental payments obligations assumed by the City and County.

FISCAL IMPACT

Refunding the 2012A Bonds is anticipated to yield savings to, collectively, the Authority, the City and County of approximately \$2.5 million total through February 1, 2025. Debt service on the 2012A Bonds is secured by and payable from base rental payments made to the Authority by the City and County pursuant to a Master Lease for the RingCentral Stadium. Fees associated with issuance of the refunding bonds will be paid from proceeds of the refunding bonds, contingent upon closing of the transaction, and are factored into the calculation of savings.

PUBLIC OUTREACH / INTEREST

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

COORDINATION

This report was prepared by the Finance Department in coordination with the Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: This item supports the City's ongoing operations and ability to serve its constituents.

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

Race and Equity: This item supports the City's ongoing operations and ability to serve its constituents.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Requests That The City Council Adopt A Resolution (1) Approving Any Action By The Oakland-Alameda County Coliseum Authority Board That May Authorize The Executive Director To Proceed With And Complete Redemption And Refunding Of The 2012 Refunding Series A Lease Revenue Bonds By February 1, 2022; And (2) Authorizing The Council's Delegates To The Authority Board To Vote In Favor Of Any Such Action That Shall Be Considered By The Board, So Long As The Redemption And Refunding Does Not Extend The Maturity Date Of The Existing Bonds Or Increase The Obligations Imposed Upon The City.

For questions regarding this report, please contact Erin Roseman, Director of Finance, at (510) 238-2026.

Respectfully submitted,



Erin Roseman (Oct 21, 2021 14:26 PDT)

Erin Roseman
Director of Finance, Finance Department

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