

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to Form and Legality

  
City Attorney

2017 JUN -1 PM 3:49

OAKLAND CITY COUNCIL

RESOLUTION NO. 86800 C.M.S

**A RESOLUTION OF THE COUNCIL OF THE CITY OF OAKLAND PROVIDING FOR THE BORROWING OF FUNDS FOR FISCAL YEAR 2017-18 AND THE ISSUANCE AND SALE OF THE CITY OF OAKLAND 2017-2018 TAX AND REVENUE ANTICIPATION NOTE IN AN AMOUNT NOT TO EXCEED \$86,000,000, AND APPROVING THE EXECUTION OF A NOTE PURCHASE AGREEMENT RELATING TO SUCH NOTE AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH**

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**WHEREAS**, pursuant to Section 53850 et seq. of the Government Code of the State of California (the "Law") contained in Article 7.6 thereof, entitled "Temporary Borrowing," on or after the first day of any fiscal year (being July 1), a city may borrow money by issuing notes for any purpose for which a city is authorized to expend moneys, including but not limited to current expenses, capital expenditures, and the discharge of any obligation or indebtedness of a city; and

**WHEREAS**, pursuant to Section 53853 of the Government Code, the City Council (the "Council") of the City of Oakland (the "City") has found and determined that the sum of up to Eighty-Six Million Dollars (\$86,000,000) is needed for the requirements of the City to satisfy obligations payable from the General Fund of the City, and that it is necessary that an amount up to said sum be borrowed for such purpose at this time by the issuance of the note (the "Note") in anticipation of the receipt of taxes, revenues and other moneys to be received by the City for the General Fund of the City during or allocable to Fiscal Year 2017-2018; and

**WHEREAS**, it appears, and the Council hereby finds and determines, that the principal amount of the Note, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the City anticipated to be received for or accrued to the General Fund during Fiscal Year 2017-18 that will be available for the payment of the interest on and the principal of the Note; and

**WHEREAS**, no money has heretofore been borrowed by the City in anticipation of the receipt of, or payable or secured by, any taxes, income, revenue, cash receipts or other moneys of the City to be received for or accrued to the General Fund during Fiscal Year 2017-18; and

**WHEREAS**, the City wishes to authorize the issuance of the Note in a single series, to be purchased by Bank of America, N.A. (the "Bank") from the City in accordance with that certain Note Purchase Agreement between the City and the Bank, as originally executed and as it may be amended from time to time in accordance with its terms (the "Note Purchase Agreement"); and

**WHEREAS**, pursuant to the Law, certain taxes, income, revenue, cash receipts and other moneys of the City which will be received for or accrued to the General Fund during Fiscal Year 2017-18 can and will be pledged for the payment of the interest on and the principal of the Note;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAKLAND AS FOLLOWS:

Section 1.     Recitals. All of the recitals hereinabove set forth are true and correct, and the Council so finds and determines, and the Council further finds and determines that all acts, conditions and things required by law to exist, to have occurred and to have been performed precedent to the issuance and sale of the Note do exist, have occurred and have been performed in regular and due time, form and manner as required by law, and that the City is empowered under the Law to issue and sell the Note as provided herein.

Section 2.     Defined Terms. Unless otherwise defined herein, capitalized terms used in this Resolution shall have the meanings given such terms in the Note Purchase Agreement.

Section 3.     Issuance of Note.

(a)     Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys of the City to be received for or accrued to the General Fund during Fiscal Year 2017-18, the City hereby determines at this time to and shall borrow the aggregate principal sum of not to exceed \$86,000,000 by the issuance of a temporary note under the Law, designated the "City of Oakland 2017-2018 Tax and Revenue Anticipation Note" (the "Note"). The Note shall be issued in a single series and shall be dated the date of issuance thereof. The Note shall bear interest on the principal amount outstanding from time to time, mature and be payable as provided in the Note Purchase Agreement. Interest on the Note will not be excluded from gross income for federal income tax purposes. The principal amount of the Note shall be noted by the Bank on the form of the Note in accordance with the Note Purchase Agreement. The Note is subject to prepayment prior to the maturity date thereof in accordance with the terms of the Note Purchase Agreement.

(b)     The Note shall be initially issued and registered in the name of "Bank of America, N.A.," as the registered owner thereof (together with any of the Bank's successors or assigns as permitted in the Note Purchase Agreement, the "Owner") and shall be evidenced by a single note.

(c)     The Note shall be initially issued and registered as provided in Section 3(b) hereof. The Bank shall have the right to sell or transfer the Note or to otherwise directly or indirectly transfer or assign any interest in the Note only to the extent permitted in the Note Purchase Agreement.

(d)     The City shall be entitled to treat the Bank as the Owner of the Note indicated therein as the absolute owner of such Note for all purposes under this Resolution and for purposes of payment of principal of and interest on such Note, notwithstanding any notice to the contrary received by the City.

(e) The Authorized Representatives (as defined in the Note Purchase Agreement), each acting alone, are hereby authorized and directed to provide any notices or other directions of the City to the Bank pursuant to the Note Purchase Agreement.

(f) The Director of Finance will maintain or cause to be maintained, at her office in Oakland, California, sufficient books for the registration of the Note.

Section 4. Form of Note. The Note shall be issued without coupons and shall be substantially in the form thereof set forth in Exhibit A attached hereto and incorporated herein, the blanks in said form to be filled in with appropriate words and figures after the sale of the Note and before the execution, authentication and delivery of the Note.

Section 5. Execution of Note. The City Administrator, the Director of Finance, or a designee of any such official, is hereby authorized to sign the Notes by manual or facsimile signature, and the City Clerk is hereby authorized to countersign the same by manual or facsimile signature and to affix the seal of the Council thereto by facsimile impression thereof. Said signing, countersigning and sealing shall constitute a valid and sufficient execution of the Notes. Said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate, and to deliver the Note to the Bank.

Section 6. Use of Proceeds of Note. The Director of Finance shall, immediately upon receiving the proceeds of the sale of the Note, deposit in the General Fund all amounts representing the proceeds of the Note received from such sale, and such proceeds shall be used for the purpose specified in the Note Purchase Agreement or otherwise permitted by applicable law.

Section 7. Security for Note; Security Interest.

(a) The City hereby pledges all Property Tax Revenues and the Additional Revenues (if any) (collectively, the "Pledged Property") to the payment of the principal of and interest on the Note, and the Note shall be an obligation of the City payable from the Pledged Property. This pledge is valid and binding in accordance with the terms of this Resolution and the Pledged Property shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the Pledged Property and be effective, binding, and enforceable against the City, its successors, purchasers of the Pledged Property, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, this Resolution irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

(b) Nothing in this Resolution shall prohibit the City from issuing additional tax and revenue anticipation notes payable from the Pledged Property or other available funds on a basis subordinate to the Notes ("Subordinated Notes"); provided that with respect to any such Subordinated Note, the City shall not, prior to the termination of the Note Purchase Agreement pursuant to the terms therein and payment in full of the Note, (i) make any scheduled payments of principal thereof or interest thereon, (ii) make any prepayment thereof, and (iii) issue any such Subordinated Note that has a maturity date earlier than the stated maturity date of the Note.

Section 8. Sale of Note. The Note Purchase Agreement providing for the sale of the Note proposed to be entered into between the Bank and the City, in substantially the form thereof

set forth in Exhibit B attached hereto and incorporated herein, is hereby approved, and the Director of Finance or her designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Bank the Note Purchase Agreement in substantially said form (which Note Purchase Agreement shall contain the maturity date and the interest rate and the prepayment provisions for the Note), with such changes as such officer executing the Note Purchase Agreement may require or approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Further Actions. The City Administrator, Director of Finance, and the City Clerk are each hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, including but not limited to an agreement relating to the breakage fee related to the Note, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with this Resolution, and all actions heretofore taken by such officers with respect to the sale and issuance of the Note are hereby approved, confirmed and ratified. Any authority delegated under this Resolution to a specified official (including officials acting in these positions on an interim basis) of the City may also be exercised by the specified official's authorized designee.

Section 10. Resolution to Constitute Contract. It is hereby covenanted and warranted by the City that all representations and recitals contained in this Resolution are true and correct, and that the City, and its appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them for carrying out the provisions of this Resolution. It is hereby further covenanted and warranted by the City that the provisions of the Note and of this Resolution shall constitute a contract between the City and the Owner, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction; provided, that notwithstanding any other provision hereof to the contrary, upon the City's failure to observe, or refusal to comply with, the covenants contained herein, no one other than the Owner or former Owner of the Note shall be entitled to exercise any right or remedy under this Resolution on the basis of the City's failure to observe, or refusal to comply with, such covenants.

Section 11. Amendments. This Resolution may be amended by a supplemental resolution adopted by the City Council with the written consent of the Owner of one hundred percent of the principal amount of the Note outstanding.

Section 12. Severability. If any one or more of the provisions of this Resolution shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the decision, finding, order or decree of which becomes final, none of the remaining provisions of this Resolution shall be affected thereby, and such provisions shall be valid and enforceable to the fullest extent permitted by applicable law.

Section 13. Effective Date. This Resolution shall take effect immediately if approved by the votes of six Councilmembers; otherwise, it will be effective seven days after the date of adoption.

In Council, Oakland, California, **JUN 20 2017**, 2017.

**PASSED BY THE FOLLOWING VOTE:**

AYES: ~~XXXXXX~~, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN AND PRESIDENT REID - 7

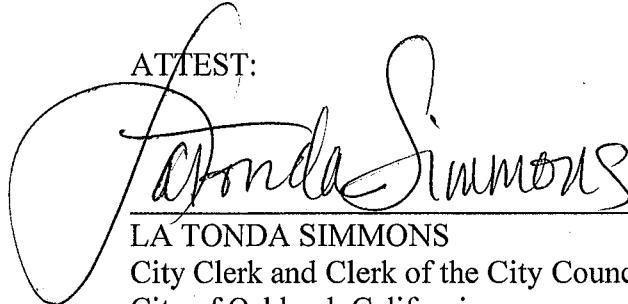
NOES: 0

ABSENT: 0

ABSTENTION: 0

Excused - Brooks - 1

ATTEST:



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

**EXHIBIT A**

FORM OF NOTE

R-1

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ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Bank of America, N.A., has an interest herein. This Note is non-negotiable and Bank of America, N.A. has the right to sell or transfer the Note or to otherwise directly or indirectly transfer or assign any interest in the Note only to the extent permitted by the Note Purchase Agreement.

**CITY OF OAKLAND, CALIFORNIA  
2017-2018 Tax and Revenue Anticipation Note**

INTEREST RATE                      DATED DATE                      MATURITY DATE

FOR VALUE RECEIVED, the City of Oakland, California, acknowledges itself indebted to and promises to pay to Bank of America, N.A. (together with any of its successors and assigns as permitted under the Note Purchase Agreement (defined below), the "Bank"), at the office of the Director of Finance, the principal sum of Eighty-Six Million Dollars (\$86,000,000) in lawful money of the United States of America, on June 29, 2018, together with interest on the principal amount outstanding hereunder from time to time at the rate or rates per annum set forth in that certain Note Purchase Agreement (the "Note Purchase Agreement") by and between the City and the Bank dated \_\_\_\_\_, 2017 (computed on the basis set forth in the Note Purchase Agreement) in like lawful money from the date hereof until payment in full of said principal sum. Interest hereon shall be payable to the Bank at the address shown on the registration books of the Director of Finance on June \_\_, 2018; provided that the address may be changed pursuant to the terms of the Note Purchase Agreement, and at such other times as may be required under the Note Purchase Agreement. The principal of and interest at maturity on this Note shall be payable only to the Bank and in the manner provided in the Note Purchase Agreement. Upon payment in full of this Note, this Note shall be surrendered for cancellation.

It is hereby certified, recited and declared that this Note is an authorized Note entitled "City of Oakland, California 2017-2018 Tax and Revenue Anticipation Note" (the "Note"), in the aggregate principal amount of Eighty-Six Million Dollars (\$86,000,000), to be issued in a single series by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California and Resolution No. \_\_\_\_\_ adopted by the City Council on

June \_\_\_\_, 2017 (together with the Note Purchase Agreement appended thereto, the "Resolution"), and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the City does not exceed any limit prescribed by the Constitution or laws of the State of California. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Resolution.

The Note is subject to prepayment at the times and upon the terms set forth in the Note Purchase Agreement.

Pursuant to the Resolution, the City has pledged all Property Tax Revenues and Additional Revenues (collectively, the "Pledged Property") to the payment of the principal of and interest on the Note, and the Note is an obligation of the City payable from the Pledged Property.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Director of Finance.



IN WITNESS WHEREOF, the City of Oakland has caused this Note to be executed by the manual or facsimile signature of its Director of Finance and countersigned by the manual or facsimile signature of the City Clerk and caused a facsimile of the official seal to be imprinted hereon, all as of the \_\_\_ day of July, 2017.

CITY OF OAKLAND

By:

\_\_\_\_\_  
Its:

(SEAL)

Countersigned:

By:

\_\_\_\_\_  
Its: City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is the City of Oakland, California 2017-2018 Tax and Revenue Anticipation Note described in the within mentioned Resolution.

Date of Authentication: July \_\_, 2017

\_\_\_\_\_  
Director of Finance

**EXHIBIT B**

FORM OF NOTE PURCHASE AGREEMENT