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OAKLAND

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Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION AMENDING CITY COUNCIL RESOLUTION NO. 83962 AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND TERMINATE THE CITY'S INTEREST RATE SWAP AGREEMENT WITH GOLDMAN SACHS & CO. TO THE EXTENT THAT THE CITY IS ABLE TO DO SO AT A BELOW MARKET VALUE COST AND NOT LATER THAN THE END OF THE NEXT FISCAL YEAR, JUNE 30, 2013, TO PROVIDE THAT IF SUCH AGREEMENT IS NOT REACHED THE CITY WILL PURSUE ALL APPROPRIATE RECOURSE TO EXCLUDE THEM FROM FUTURE CITY BUSINESS.

WHEREAS, in 1997, the City entered into a forward-starting synthetic fixed rate swap agreement (the "Swap Agreement") with Goldman Sachs Mitsui Marine Derivatives Products, U.S., L.P. in the connection with the issuance of Oakland Joint Powers Financing Authority, Lease Revenue Bonds, 1998 Series A1/A2; and

WHEREAS, the Swap Agreement no longer serves its original purpose to mitigate interest rate risks because the interest rates on the original series of bonds tied to the Swap were restructured to fixed rates in 2008, the City Council finds that termination of the Swap Agreement in the best interest of the City; now therefore be it

RESOLVED, that the City Council authorizes the City Administrator to negotiate the termination of the swap agreement entered in connection with the issuance of Oakland Joint Powers Financing Authority, Lease Revenue Bonds, 1998 Series A1/A2, and report back to the Finance Committee on a monthly basis. If Goldman Sachs refuses to terminate the swap agreement without termination fees or penalty within 60 days, then the City will pursue all appropriate recourse to exclude them ~~they will be excluded from any future business with the City of Oakland and the City should continue to use all good faith efforts including options proposed by the Stop Goldman Sachs Coalition until such time as Goldman Sachs drops the termination fees and penalty.~~

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON-MCELHANEY, KALB, KAPLAN, REID, and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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