CITY OF OAKLAND

AGENDA REPORT

TO:	Elizabeth Lake Interim City Administrator	**FROM:**	Bradley Johnson Director of Finance
SUBJECT:	Coliseum Payment Allocation	**DATE:**	July 15, 2026

City Administrator Approval Betsy Lake (Jul 16, 2026 16:04:00 PDT) Date: Jul 16, 2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Appropriating And Allocating Fifty Million Dollars Of The Proceeds Of The Sale Of The City Of Oakland's Undivided Fifty Percent Interest In The Coliseum Complex To California Public Employees Retirement System For A Discretionary Payment Of City's Unfunded Accrued Liability For Retirement Benefits

EXECUTIVE SUMMARY

On July 13, 2026, the City Council approved the first reading of the Ordinance authorizing the City Administrator to amend the City's existing sale agreement with the Oakland Acquisition Company (OAC), an affiliate of the African American Sports and Entertainment Group (AASEG), for the purchase and sale of the City's 50% undivided interest in the Oakland-Alameda County Coliseum Complex. The appropriation provisions of that ordinance were removed from that ordinance for inclusion in this resolution.

This resolution explicitly directs the transmission of the initial sale proceeds of fifty million dollars to go to California Public Employees Retirement System (CalPERS) towards the City's Unfunded Accrued Liability for retirement benefits. This use of funds is consonant with the City's Consolidated Fiscal Policy which mandates the use of one-time revenues "to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities." Furthermore, the use of these funds to address Unfunded Accrued Liability is consistent with fiscally prudent best practices.

BACKGROUND / LEGISLATIVE HISTORY

The City's Consolidated Fiscal Policy, Ordinance No. 13487 C.M.S., limits the use of one-time revenues to select purposes including the repayment of unfunded liability including retirement obligations. The Consolidated Fiscal policy was most recently amended on May 15, 2018.

The Council approved the1st reading of an Ordinance at a Special Meeting on July 13, 2026 to Authorize the City Administrator To, among other things, "Amend The Purchase And Sale Agreement Of The City Of Oakland's Undivided 50% Interest In The Coliseum Complex Located At 7000 Coliseum Way, Oakland, California, To Allow The Simultaneous Sale Of The Arena Parcel For The Lump Sum Payment Of $50 Million And The Stadium Parcel For $60 Million With Seller Financing From The City, Crediting The $5 Million Deposit Held By The City Prior To The Sale." If this ordinance is approved and the agreement reached, the City could receive the appropriated funds as early as September 2026.

ANALYSIS AND POLICY ALTERNATIVES

The recommended action authorizing the City Administrator to amend the existing Purchase and Sale Agreement for the Sale of the Coliseum would provide for an all-cash sale of the City's interest in the Arena Parcel for $50 million and a seller financed sale of the City's interest in the Stadium Parcel for $60 million, in a simultaneous transaction to close as soon as September 2026 and no later than January 2027.

In line with the City's Consolidated Fiscal Policy, this resolution would direct the initial one-time payment received by the City to fund the City's payment of its Unfunded Accrued Liability for retirement benefits in the California Public Employees Retirement System (CalPERS). As these funds are added to the City's CalPERS assets, the City's future contributions to its Unfunded Accured Liability (UAL) would decrease once said assets are valued and accounted. As CalPERS earns a market rate of return on these assets, providing these funds as soon as practicable will increase the City's future savings in UAL Payments. These funds would sizably reduce the City's roughly $2 billion Unfunded Accrued Liability related to its retirement benefits.

RELATED PLANNING EFFORTS

This agenda item is in alignment with the City's RoadMap to Fiscal Health; specifically, Item 5: "Develop long-term plans to contain rising pension and other benefit costs".

This agenda item also supports the Strategic Priorities outlined in the City's 2025–2028 Strategic Plan aligning with the following Strategic Priority:

Align Budget with Citywide Priorities: Maintaining structural balance, addressing long-term pension and benefit obligations, strengthening revenue collection, and evaluating new revenue options all support aligning the City's budget with core service priorities.

FISCAL IMPACT

The Sale of Oakland's 50% interest in the Coliseum Property would generate a total of $125 million in direct revenues for the City. Of these revenues $5 million have already been received in FY 2024-25, $50 million would be received at the time of closing on the Arena Sale in FY 2026-27, and the remainder would be received in future years. The initial received $5 million has been included in prior year's budgets and is a component of the General Purpose Fund (GPF) Balance. The $50 million to be received at Closing from the Arena Parcel sale would be received in the GPF in a designated restricted project during FY 2026-27 and would be transmitted to the California Public Employees Retirement System (CalPERS) for the payment of the City's Unfunded Accrued Liability for retirement benefits. The remaining balance of $70 million would be received in the GPF and would be appropriated by future action of the City Council at the time of its receipt.

PUBLIC OUTREACH / INTEREST

No direct public outreach was conducted or deemed necessary in the development of this resolution. The City's Road Map to Fiscal Health has been publicly discussed at meetings of the City Council and during public forms during the development of FY 2026-27 Midcycle Budget and FY 2025-27 Biennial Budget.

COORDINATION

This item was prepared in coordination with the Finance Department, Economic and Workforce Development, and the City Administrator's office.

RACE AND EQUITY

No racial equity analysis was performed in the development of this report. Staff does not believe that this resolution will have a direct impact on the City's commitment to advancing racial equity.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That City Council Adopt A Resolution Appropriating And Allocating Fifty Million Dollars Of The Proceeds Of The Sale Of The City Of Oakland's Undivided Fifty Percent Interest In The Coliseum Complex To California Public Employees Retirement System For A Discretionary Payment Of City's Unfunded Accrued Liability For Retirement Benefits.

For questions regarding this report, please contact Bradley Johnson, Finance Director's Office at (510) 207-5730.

Respectfully submitted,

Bradley Johnson
Bradley Johnson (Jul 16, 2026 10:58:09 PDT)

BRADLEY JOHNSON
Finance Director