

CITY OF OAKLAND

2010 JUN 30 PM 6: 54

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: July 13, 2010

RE: Resolution Approving the Application of the City's Recovery Zone Economic Development Bond Issuance Authority to the MacArthur Transit Village Within the Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Area and the Obligations to be issued with Respect thereto

Resolution Determining to Apply the City's Recovery Zone Facility Bond Issuance Authority to the Financing of Various Facilities to be Constructed and Installed by Ports America Oakland

SUMMARY

Under the American Recovery and Reinvestment Act of February 2009 the City of Oakland (the "City") was allocated \$5,054,000 in Recovery Zone Economic Development Bonds (RZEDB), \$7,581,000 in Recovery Zone Facility Bonds (RZFB) and \$4,165,124 in Qualified Energy Conservation Bonds (QECB) to be used for economic development purposes. Per Resolution No. 82504 C.M.S (the "Resolution"), the City Council designated the City of Oakland as a Recovery Zone and authorized the City Administrator to conduct negotiations and take all actions consistent with the Resolution. The Resolution also required staff to return to the City Council prior to submission of the final project list to the California Debt Limit Allocation Committee (CDLAC), State Treasurer's Office.

As required, staff submitted a Plan of Issuance to CDLAC on January 31, 2010. The City's Plan of Issuance was accepted by the State of California (the "State"). The next critical date for continued access to the Recovery Zone Bond Program allocations is August 15, 2010. In order to avoid having the City's RZEDB, RZFB and QECB allocations re-allocated to another California government entities, the City must submit a Resolution of Intent which demonstrates the City Council's approval of the proposed projects, a written opinion by bond counsel that states that the proposed projects meet the federal guidelines and a commitment letter from the credit enhancement provider or purchaser of the bonds by August 15, 2010 for all three bonds. The RZEDB and RZFB must be issued before January 1, 2011. There is no sunset date for the QECB at this time.

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Staff is recommending the approval of the following projects described below. These projects meet federal and state guidelines, are financially feasible, and further the development of key economic development initiatives of the City. Staff is recommending that: \$5,054,000 in RZEDB be utilized towards the Redevelopment Agency's ("Agency") Owner Participation Agreement (OPA) financing requirements for the MacArthur Transit Village Project and \$7,581,000 in RZFB be used as a private-activity financing source to Ports America, and that \$4,165,124 in QECB be used to establish a Revolving Loan Fund to finance energy efficiency improvements in both city-owned facilities and private commercial facilities. Staff will be working closely with the State Treasurer's Office to develop the Revolving Loan; however, there is a possibility that we will not reach agreement by the August 15th deadline. Staff will re-apply for another QECB allocation in fall 2010.

Due to the State deadline of August 15, 2010, the following resolutions have been prepared for immediate adoption by the City Council:

- 1) Approving the application of the City's RZEDB issuance authority to the MacArthur Transit Village within the Broadway/MacArthur/San Pablo Redevelopment Project Area;
- 2) Approving the determination to apply the City's RZFB issuance authority to equipment purchases and construction activities associated with the terminal development at the Port of Oakland by Ports America Company; and

Staff will continue to work with State and bond counsel to develop a City Energy Efficiency Revolving Loan Fund to finance improvements to qualified city-owned facilities and a fund to support commercial energy efficiency improvement projects.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund. However, if bonds are issued for these allocations under the Recovery Zone Bond Program, these three bonds will have different structures and fiscal impacts:

The **Recovery Zone Economic Development Bonds** will assist the Agency in meeting its financial obligations related to an OPA with the MacArthur Transit Community Partners, LLC (MTCP) for the development of the MacArthur Transit Village project. The OPA requires that the Agency provide \$11,320,000 in financing out of currently available funds and \$6,300,000 from a future bond issuance by the Broadway/MacArthur/San Pablo Redevelopment Project Area in July 2011. Since the interest on the RZEDB is 45% subsidized by the Federal Government, it is to the benefit of the Agency to take advantage of the allocation and issue RZEDB for this project. As a result, the Agency will save approximately \$150,000 per year.

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The **Recovery Zone Facilities Bonds** will be issued by the City on behalf of a private company; however, the City will not provide credit for the borrowing nor will it be the lender or borrower. This bond structure will be conduit revenue financing. The private company will be solely responsible for debt service payments on the RZFB.

The **Qualified Energy Conservation Bonds** will be issued by the City and will be placed into a new Energy Efficiency Revolving Loan fund for qualified energy efficiency projects. The loans issued from this Fund will include requirements that the net economic benefits from the project are greater than the cost of repayment. The underwriting commitment for this type of tax credit bond requires additional analysis and staff work to ensure that the creation of the Fund is feasible.

All cost of issuing the bonds will be paid from bond proceeds.

BACKGROUND

The American Recovery and Reinvestment Act of 2009 ARRA created the Recovery Zone Bond Program to stimulate economic recovery in areas designated as Recovery Zones. Three types of Recovery Zone Bonds are associated with ARRA Recovery Zone:

- **Recovery Zone Economic Development Bonds** are taxable government bonds to be issued for promoting development or other economic activity by government including capital expenditures paid or incurred in connection with infrastructure construction of public facilities, job training and educational facilities. These taxable bonds receive Federal interest rate subsidy of 45% over the life of the bonds. The City's allocation of Recovery Zone Economic Development Bonds is \$5,054,000.
- **Recovery Zone Facility Bonds** are tax-exempt private-activity use bonds issued to qualifying private businesses for expenditures for new capital improvements. Qualified businesses include, but are not limited to, retail centers, hotels, office buildings, research parks, manufacturing plants and industrial buildings. The City's allocation of Recovery Zone Facility Bonds is \$7,581,000.
- **Qualified Energy Conservation Bonds** are qualified tax credit bonds. The tax credits permit an issuer of QECB to potentially borrow for "qualified conservation purposes" at rates of interest which may be significantly lower than rates of interest on taxable debt or even tax-exempt bonds. Qualified purposes include: reduction of energy consumption in publicly owned buildings or implementation of green community programs, such as loan, rebate and/or grant programs; and/or up to 30% may be used for private activities, meaning that proceeds may be loaned to private companies and/or for privately owned or operated projects. The City's allocation of Qualified Energy Conservation Bonds is \$4,165,124.

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Recovery Zone Bond Program Project Evaluation Process

The January 31, 2010 Plan of Issuance required each Recovery Zone Bond recipient to submit a general list of eligible projects. The list was presented to the City Council prior to its submittal to the State. The Project list has been assessed by CEDA, Treasury, and the City Administrator's Office based on the following criteria:

- *Federal Guidelines:* Projects qualify under the federal guidelines;
- *Project Readiness:* Projects able to meet bonding timelines, including issuance of bonds by December 31, 2010, and project activities will start no later than 6-8 months upon issuance;
- *Job Creation:* Creation of new immediate jobs both in terms of construction and permanent jobs in operating activity related to the project assisted by the bonds or retains existing permanent jobs;
- *Stimulate Direct and Indirect Economic Activity:* Projects which demonstrate significant economic development benefits to the City such as, attracting or retaining new business, stimulating greater capital investment, and increasing the City's tax base;
- *Demonstrate minimal environmental impacts or mitigates expected impacts:* Projects which promote infill development, pollution prevention or reduction, or further sustainable development objectives of City; and
- *Financial Readiness:* Projects that have demonstrated or are known to be able to meet the financing criteria for the bonds – credit requirements/Letter of Credit from lender. Debt repayment sources for projects of the City or Redevelopment must be identified and reliable.

The following three projects were verified as meeting all of the above described criteria.

- **Recovery Zone Economic Development Bond: \$5,054,000**
MacArthur Transit Village – Phase I
Oakland Redevelopment Agency

The MacArthur Transit Village includes the replacement of the existing surface parking lot at the BART Station with a 450-space structured garage in order to accommodate the development of 624 residential units and 42,500 square feet of commercial space on the site. 108 of the 624 units will be affordable. In addition to the surface BART parking lot, 7 privately owned parcels will be acquired for the project. The first phase of the development specifically deals with the construction of the replacement BART parking lot and the construction of the site infrastructure including new streets through the site, utility connections, and the renovation of the BART entry plaza. The BART garage will be owned by BART. The new streets will be public right-of-way with the exception of one of the internal residential streets.

In 2009, the City and Agency approved an OPA between the Redevelopment Agency and MTCP. The OPA includes the commitment of \$17.6 million from the Broadway/MacArthur/San Pablo Redevelopment Area and \$16.4 million from the Low and Moderate Income Housing Funds. As part of the Redevelopment Area financing, the Agency agreed to provide \$6.3 million from a future bond to be issued by the Broadway/MacArthur/ San Pablo Redevelopment Project Area in July 2011 pledging tax increment revenues from Fund 9529. If the Agency is unable to bond at that date, the Agency will provide \$700,000 in annual tax increment revenues to the project and increase the size of the bond as follows: \$250,000 for a one year delay, \$550,000 for a two year delay, and \$900,000 for a three year delay to cover carrying costs. The project has been awarded \$37 million of State Proposition 1C funds to assist with Phase I. These funds must be expended by December 2011. Legislation is pending that may extend that deadline but whether it will pass is uncertain.

The City currently has an allocation of \$5,054,000 of the RZEDB and would need at least \$7,265,000, including reserves and issuance costs, for the MacArthur Transit Village Project. Therefore, the Agency would need to obtain an additional allocation of the RZEDB.

▪ **Recovery Zone Facility Bond - \$7,581,000**
Ports America Oakland

Ports America Oakland operates Berths 20-24 at the Port of Oakland under a 50-year concession and lease agreement, initiated in January 2010. As terminal operator, Ports America provides services to its ocean carrier customers that facilitate international and domestic trade, which in turn stimulates economic activity in Oakland and its surrounding communities. Container handling equipment and facility infrastructure comprise critical components of Ports America's ability to service its customers and ensure the competitiveness of the terminal, its customers and the broader Port region. Under this project proposal, Ports America Oakland intends to use the \$7,581,000 in Recovery Zone Facility Bonds to finance the purchase of new container handling equipment, the provision of shore power infrastructure, or a combination of the two.

"Shore power" is the provision of power to a vessel docked at berth from the local electricity grid, as opposed to the vessel's own auxiliary engines, which burn diesel fuel. The Port of Oakland and all California ports are moving towards a "shore power" model to mitigate emissions from docked vessels. Shipping lines are in the process of retrofitting their vessels with electrical plugs and on-board systems to operate using shore power. Terminals will have to be able to offer shore power to their vessel customers if they hope to remain commercially competitive vis-à-vis competing port locations outside of California and throughout the United States. The necessary infrastructure on the land-side includes multiple receptacles built into each wharf, switchgear, transformers, cable,

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conduit and conductors, fiber optic communications lines, and other components. The cost to implement shore power has been estimated at approximately \$7 million per berth by the Port of Oakland. Ports America Oakland would use part or all of the RZFB monies to undertake the necessary infrastructure to provide shore power at one of its berths.

Container handling equipment is used to transfer containers between, to, and from the vessel, a point of rest in the storage yard, and the gate. Examples of this type of equipment include top-picks, transtainers, rubber tire gantry cranes, yard hustlers and bombcarts. This equipment is critical to the capacity of the terminal and its ability to service additional customers or additional volumes. This capacity, in turn, defines the terminal's ability to promote economic activity and the concomitant job creation and income growth.

Ports America's ability to commit to the use and leverage of the RZFB funds is subject to further review by Ports America Management and approval by its Board of Directors. Ports America plans to complete its review of this funding/financing opportunity in time for the August 15, 2010 deadline for the City of Oakland to submit its required documentation.

City staff is coordinating with Port of Oakland staff to determine if any of the other seven (7) marine terminal operators at the Port of Oakland may be interested in pursuing Facility Bond financing, if the State of California has additional Recovery Zone Facilities Bond allocations available.

- **Qualified Energy Conservation Bond - \$4,165, 124
Oakland Energy Efficiency Revolving Loan Fund**

The federal legislation establishing the QECB Program requires that least 70% of the volume and cap allocation (\$2,915,587) must be used for reducing energy consumption in publicly owned buildings by at least 20% or implementing green community programs (loan, grants or rebate programs), or energy research; and up to 30% (\$1,249,537) may be used for private activities, meaning that proceeds may be loaned to private companies and/or for privately owned or operated projects.

Staff is recommending the establishment of the Oakland Energy Efficiency Revolving Loan Fund with the QECB funding. This loan fund can support both municipal facilities energy efficiency improvements and private facility improvements. The QECB financing can be used to fund construction of energy efficiency improvements to the City and Redevelopment Agency owned facilities to help offset the effects of rising energy costs. The private facility loan fund portion could provide for additional financing requirements under recently approved Stimulus multi-family housing or commercial energy retrofit projects such as the Downtown Energy Efficiency Program. The Loan Program could

offer assistance to various commercial developments throughout the City of Oakland, interested in making energy efficiency improvements to their properties. It is contemplated that the Oakland Business Development Corporation (OBDC) will be responsible for underwriting these loans in coordination with appropriate agencies.

Staff must continue to work on the development of this Program. There is a possibility that the City of Oakland's QECB Allocation will revert back to the State for reallocation, if staff is unable to fully develop the program by the August 15th deadline. If that is the case, staff is committed to applying for a re-allocation in fall 2010.

KEY ISSUES AND IMPACTS

The intention of the ARRA is to stimulate economic revitalization for cities and counties in California, which includes the Recovery Zone Bond Program for RZEDB, RZFB, and the QECB. In order for the City to continue to secure the allocations for these bonds with the State, the following documents must be submitted to CDLAC by August 15, 2010:

- A resolution approving the project(s), which may take the form of a reimbursement resolution or an inducement resolution;
- A written opinion from bond counsel, which states that the QECB or RZB project being funded qualifies under the federal guidelines. Bond counsel will need to cite federal tax law in their opinion; and
- A commitment letter from the credit enhancement provider or purchaser of the bonds being utilized.

If the City fails to comply with the above requirements by that date, the allocation will automatically revert back to CDLAC for re-allocation to another government entity.

The RZEDB, RZFB and QECB can be used for the MacArthur Transit Village, the Ports America and an Energy Efficiency Revolving Loan. This is a financing vehicle for the City to obtain lower borrowing costs for public and private development projects as well as to promote job creation, a green city and economic recovery for the City.

- Utilizing the RZEDB for the development of the MacArthur Transit Village project will provide savings of approximately \$150,000 per year due to the interest rate subsidy of 45% received from federal government compared to if the Agency were to issue regular tax-exempt bonds for this project in FY 2011.
- Utilizing the RZFB for the Ports America project will allow Ports America to access lower borrowing cost for the project. Ports America's long-term agreement will yield 6,000 jobs and a \$2.5 billion investment in the Port of Oakland.

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- The QECCB will be issued by the City. It is proposed that a new Energy Efficiency Revolving Loan fund for energy efficiency projects of the City or Agency be established with 70% of the allocation and the remaining 30% of the allocation be used for private energy efficiency projects. The loans issued from this fund will include requirements that the net economic benefits from the project are greater than the cost or repayment.

SUSTAINABLE OPPORTUNITIES

Economic: The Recovery Zone Bond financing will support Oakland's economic development efforts in several ways: home ownership, access to commercial services, increasing the competitiveness of local businesses and the Port of Oakland, a major employer. The proposed bond uses will create new permanent employment opportunities as well as temporary construction-related work.

Environmental: The projects further the City of Oakland's interest in promoting sustainable development. In addition, the development projects involve the remediation of on-site soil contaminants and the redevelopment of underutilized property. The projects are also consistent with the City's Green Building Program and support the proposed Oakland Energy and Climate Action Plan.

Social Equity: Each of these projects furthers the City's objectives to provide employment opportunities for Oakland residents, business opportunities for local businesses and create and preserve quality neighborhoods. The Ports America project helps address the air pollution and health risks concerns of West Oakland.

DISABILITY AND SENIOR CITIZEN ACCESS

The projects, when constructed, will be required to comply with state and federal accessibility requirements, including Federal Americans with Disability Act Accessibility Guidelines, the Fair Housing Act and the State of California's Title 24 Accessibility regulations.

RECOMMENDATION(S) AND RATIONALE

In order to continue to secure the allocations of \$5,054,000 in RZEDB, \$7,581,000 in RZFB and \$4,165,124 in QECCB, Staff recommends the Council's adoption of the resolutions authorizing the Resolution of Intent approving the Recovery Zone Bond projects, direction to staff to continue the development of the Energy Efficiency Revolving Loan Program, and the execution and delivery of related documents.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council approve the respective resolutions authorizing the following actions necessary to secure and utilize the Oakland Recovery Bond Zone Bond allocations:

- 1) Approval of the application of the City's RZEDB issuance authority to the MacArthur Transit Village within the Broadway/MacArthur/San Pablo Redevelopment Project Area; and
- 2) Approval of the determination to apply the City's RZFB issuance authority to Ports America; and
- 3) Direction to staff to continue the development of the Oakland Energy Efficiency Revolving Loan Program, to be funded by the Qualified Energy Conservation Bond authority.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed By:
Gregory Hunter, Deputy Director
Economic Development & Redevelopment
Community and Economic Development Agency

Joseph T. Yew, Finance Director/City Treasurer
Finance and Management Agency

Prepared by:
Aliza Gallo, Economic Development Coordinator
Community and Economic Development Agency

Katano Kasaine, Treasury Manager
Finance Management Agency

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:


Office of the City Administrator

Item: 1
Community and Economic Development Committee
July 13, 2010

FILED
OFFICE OF THE CITY CLERK
OAKLAND
Introduced by

2010 JUN 30 PM 6:54

Councilmember

Approved for Form and Legality

Kathleen M. Doyle
City Attorney

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

**RESOLUTION APPROVING THE APPLICATION OF THE CITY'S
RECOVERY ZONE ECONOMIC DEVELOPMENT BOND ISSUANCE
AUTHORITY TO THE MACARTHUR TRANSIT VILLAGE WITHIN
THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT
PROJECT AREA AND THE OBLIGATIONS TO BE ISSUED WITH
RESPECT THERETO**

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") has formed, and operates within, its Broadway/MacArthur/San Pablo Redevelopment Project Area (the "Project Area"); and

WHEREAS, within the Project Area, the City of Oakland (the "City") and the Agency have undertaken certain activities and entered into certain agreements relative to the MacArthur Transit Village within the Project Area; and

WHEREAS, Section 1401 of Title 1 of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Sta. 115 (2009) (the "Federal Stimulus Act") added Section 1400U-2 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing state and local governments to issue recovery zone economic development bonds ("RZEDB's"), the interest on which is excludable from gross income for federal income tax purposes under the Code; and

WHEREAS, under the Federal Stimulus Act, the City has been allocated the authority to issue up to \$5,045,000 principal amount of Recovery Zone Facility Bonds (the "City RZEDB Allocation"); and

WHEREAS, by its Resolution No. 82504 C.M.S. adopted January 19, 2010, this City Council designated the entire area within the boundaries of the City as a "recovery zone" for purposes of section 1400U-1(b) of the Code, which boundaries include the Project Area; and

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") has established procedures which require that the City submit certain documentation by August 15, 2010, including a resolution approving the project intended to be funded from proceeds of the RZEDB's, in order to avoid having the City RZEDB Allocation re-allocated to another California governmental entity; and

WHEREAS, the City desires to demonstrate compliance with such CDLAC procedures; now, therefore, be it

RESOLVED, the City hereby approves the application of the City RZEDB Allocation to the MacArthur Transit Village and related projects within the Project Area; and be it

FURTHER RESOLVED, that the City intends to City apply the City RZEDB Allocation to bonds or other obligations to be issued by the City, the Agency or by the Oakland Joint Powers Financing Authority for the benefit of the MacArthur Transit Village and the Project Area; and be it

FURTHER RESOLVED, that the City Council hereby authorizes the City Administrator to conduct negotiations, execute documents and take any other action necessary or desirable to further the purposes of this Resolution; and be it

FURTHER RESOLVED, that prior to execution, all contracts and agreements shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES: BROOKS, DE LA FUENTE, KAPLAN, KERNIHGAN, NADEL, QUAN, REID
and PRESIDENT BRUNNER

NOES:

ABSENT:

ABSTENTION:

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

2010 JUN 30 PM 6: 54

Councilmember


City Attorney

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

**RESOLUTION DETERMINING TO APPLY THE CITY'S RECOVERY
ZONE FACILITY BOND ISSUANCE AUTHORITY TO THE FINANCING
OF VARIOUS FACILITIES TO BE ACQUIRED, CONSTRUCTED AND
INSTALLED BY PORTS AMERICA OAKLAND AND DECLARING
INTENT TO ISSUE REVENUE BONDS**

WHEREAS, Section 1401 of Title 1 of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Sta. 115 (2009) (the "Federal Stimulus Act") added Section 1400U-3 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing state and local governments to issue recovery zone facility bonds ("RZFB's"), the interest on which is excludable from gross income for federal income tax purposes under the Code; and

WHEREAS, under the Federal Stimulus Act, the City of Oakland (the "City") has been allocated the authority to issue up to \$7,581,000 principal amount of Recovery Zone Facility Bonds (the "City RZFB Allocation"); and

WHEREAS, by its Resolution No. 82504 C.M.S. adopted January 19, 2010, this City Council designated the entire area within the boundaries of the City as a "recovery zone" for purposes of section 1400U-1(b) of the Code; and

WHEREAS, Ports America Oakland (the "Company") operates Berths 20-24 at the Port of Oakland under a 50-year concession and lease agreement and intends to acquire, construct and install various improvements at such berths (the "Project"); and

WHEREAS, the City may issue revenue bonds (the "Bonds") to finance a portion of the costs of the Project pursuant to the City Charter of the City of Oakland or the California Industrial Development Financing Act, being Title 10 of the California Government Code, as supplemented and amended (the "Act"), or other appropriate authority; and

WHEREAS, the City expects that the Company or an entity formed by it for purposes of the financing (the "Borrower") will pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of the Bonds; and

WHEREAS, the City reasonably expects that certain of the proceeds of the Bonds will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Sections 1.103-8(a)(5) and 1.150-2 of the treasury regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations") require an issuer of tax-exempt obligations to declare its reasonable official intent to reimburse, from proceeds of such obligations, expenditures made prior to the issuance of such obligations; and

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") has established procedures which require that the City submit certain documentation by August 15, 2010, including a resolution approving the project intended to be funded from proceeds of the RZFB's, in order to avoid having the City RZFB Allocation re-allocated to another California governmental entity; and

WHEREAS, the City desires to demonstrate compliance with such CDLAC procedures; now, therefore, be it

RESOLVED, the City hereby approves the application of the City RZFB Allocation to the Bonds to be issued by the City to finance the Project; and be it

FURTHER RESOLVED, this City Council hereby declares its official intent to use proceeds of indebtedness expected to be issued in an amount not to exceed \$7,581,000 to make a loan to the Borrower, a portion of which will reimburse the Borrower for Reimbursement Expenditures, which declaration is made solely for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations; and be it

FURTHER RESOLVED, that the City Council hereby authorizes the City Administrator to conduct negotiations, execute documents and take any other action necessary or desirable to further the purposes of this Resolution; and be it

FURTHER RESOLVED, that prior to execution, all contracts and agreements shall be reviewed and approved for form and legality by the Office of the City Attorney and a final copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES: BROOKS, DE LA FUENTE, KAPLAN, KERNIHGAN, NADEL, QUAN, REID and
PRESIDENT BRUNNER

NOES:

ABSENT:

ABSTENTION:

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California