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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Temescal BID Pedestrian Lighting
Loan Assessment Assignment
Agreement

DATE: November 2, 2015

City Administrator Approval

Date:

11/18/15

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Consent To Execution Of An Assignment Of Assessments Loan Collateral Agreement Between The Temescal Telegraph Avenue Community Association Of Oakland ("Borrower") And Community Bank of the Bay ("Lender") To Disburse To Lender From Temescal/Telegraph Business Improvement District 2015 ("TTBID 2015") Special Assessment Funds Held On Behalf Of The TTBID 2015 In Support Of The Temescal Telegraph Pedestrian Lighting Project.

EXECUTIVE SUMMARY

Adoption of the proposed resolution would authorize the City Administrator to consent to the execution of an Assignment of Assessments Loan Collateral Agreement ("Assignment Agreement") between the Temescal Telegraph Avenue Community Association of Oakland ("Borrower") and Community Bank of the Bay ("Lender"). The Assignment Agreement will serve as collateral for a bank loan of up to \$880,000 for installation of up to 83 pedestrian oriented lighting fixtures within the TTBID 2015. The City's consent to the Assignment Agreement is needed because, under conditions of default, the Lender would be entitled to receive a portion of assessments directly from the City, using funds from the TTBID 2015 trust account administered by the City.

The Assignment Agreement includes a clause exempting the City's general fund from any obligation to repay the proposed loan. Therefore, should the loan default, the City would only be obligated to disburse to the Lender a portion of the the periodically collected TTBID 2015 special assessment funds administered by the City.

Installation of the above lighting fixtures is listed as an eligible expenditure in the TTBID 2015 Management Plan voted on and approved by affected TTBID 2015 property owners.

Item: _____
CED Committee
December 1, 2015

BACKGROUND / LEGISLATIVE HISTORY

Pursuant to the City of Oakland Business Improvement Management District Ordinance (Ord. 12190 C.M.S., 1999) the Temescal/Telegraph Business Improvement District 2015 was established on July 29, 2014 (Resolution No. 85148 C.M.S.)

The TT BID 2015 encompasses approximately 417 parcels and currently projects an annual budget of approximately \$482,616. The district includes all parcels along Telegraph from MacArthur Boulevard to the Berkeley border, 40th Street from the MacArthur Bay Area Rapid Transit (BART) station to Broadway, Shattuck Avenue to the Highway 24 overpass, Claremont one block up from Telegraph, and 51st Street up to and including Children's Hospital to one block east of Telegraph Avenue. Properties are assessed in proportion to the anticipated benefit received by each. Assessments are based on lot size, building size, and linear frontage of affected properties.

The TT BID 2015 District Management Plan ("Plan"), drafted and approved by affected property owners, outlines special benefits to be provided by the TT BID 2015. Among the services and goals described in the Plan is enhanced security. TT BID 2015 representatives have also stated that in 2006, based on numerous requests from affected property owners and merchants, the Temescal/Telegraph Avenue Business Improvement District of 2005 ("TT BID 2005"), commissioned a security study by a private firm which concluded that the most practical and effective method of enhancing district-wide security was to install additional lighting. Subsequently, the Office of the City Attorney also determined that installation of special benefit pedestrian oriented lighting could be considered an eligible use of TT BID 2005 funds under the security component of the TT BID 2005 District Management Plan.

Accordingly, the Temescal Telegraph Avenue Community Association of Oakland, the non-profit management corporation charged by the City to administer the TT BID of 2005, set about drafting a plan to install pedestrian oriented lighting along portions of the district.

Phases of that plan are as follows:

- **Phase 1** included installation of 45 lights within the public right of way along Telegraph Avenue from 40th to 42nd Streets. The cost of Phase 1 was \$156,170.50. Funding sources included \$48,068.44 of TT BID 2005 cash reserves supplemented by two City of Oakland Neighborhood Project Initiative (NPI) grants of \$33,102.06 and \$75,000 awarded in 2008 and 2010, respectively (Resolutions No. 2008-0089 and 2010-0007 C.M.S.)
- **Phase 2** included installation of 42 lights along Telegraph Avenue from 42nd to 52nd Streets. The cost of Phase 2 was approximately \$385,000, consisting of \$275,000 of TT BID 2005 cash reserves and a loan of \$110,000 from One Pacific Coast Bank, secured by an Assignment of Payments Agreement, dated June 1, 2012, pledging future TT BID 2005 revenues as security for the loan (approved by Oakland City Council Resolution No. 83485 C.M.S., July 19, 2011)

- **Phase 3** in 2013 included installation of 15 lights along Telegraph Avenue from 52nd Street toward Dover Street. The cost of Phase 3 was \$151,000 and was paid for by Caltrans 4th Bore funds.
- **Phase 4**, the currently proposed phase, includes installation of 83 lights along Telegraph Avenue from 49th Street to 51st Street (both sides of street); from 51st to Aileen (west side of street); from North Street to the Berkeley border (both sides of street); along Shattuck Avenue from 46th Street to 52nd Street (west side of street), and, along 40th Street from Telegraph Avenue to Broadway (both sides of street). The estimated cost of Phase 3 is \$885,000. The proposed funding source is the subject loan of up to \$880,000 from Community Bank of the Bay (secured by the proposed Assignment Agreement) and \$5,000 from TT BID 2015 reserves.
- **Deferred Phase.** The TT BID 2015 is proposing to install up to 38 additional lights along Telegraph Avenue from 51st Street to Aileen (east side of street); along Shattuck Avenue from 46th to 52nd Street (east side of street), and along Telegraph Avenue from 40th Street to MacArthur Boulevard (both sides of street) as future fundraising efforts allow. Total estimated costs for the Deferred Phase are \$399,000, and potential funding sources may include the Nautilus Group, Inc., MacArthur Transit Village Partners, MacArthur BART, 4th Bore funds, and increases to TT BID 2015 assessments pursuant to build out of the MacArthur Transit Village and other pending construction projects within the TT BID 2015.

A breakdown of estimated costs and proposed location of lighting fixtures for Phase 3 and the Deferred Phase is contained in **Attachment A** to this report.

ANALYSIS AND POLICY ALTERNATIVES

Use of TT BID 2015 revenues to service a bank loan to install the proposed pedestrian oriented lighting is permissible pursuant to the City Council and property owner approved TT BID 2015 Management Plan on file with the Office of the City Clerk. Additionally, installation of the proposed lighting is intended to improve the public safety environment of the affected neighborhood, consistent with the BID's goals and objectives.

Council's approval of the attached resolution would also enable the TT BID 2015 to finance installation of the proposed lighting in a manner that is cost neutral to the City. Accordingly, the proposed Assignment Agreement exempts the City from any financial obligation related to the proposed bank loan other than directing a portion of future TT BID 2015 assessment funds to Lender, in the event of loan default.

TT BID 2015 representatives have also indicated that the TT BID 2015 budget has the capacity to service Lender's related loan as well as to repair and maintain the proposed lighting fixtures without impact to other non-lighting services within the district (see **Attachment B** to this report).

The proposed loan amount of up to \$880,000 represents approximately 180% of TT BID 2015 annual revenues and the proposed annual debt service represents approximately 25% of the

district's annual assessment revenues. Total assessment revenue is approximately \$482,616 per year and loan debt service is currently projected to be \$122,900 per year.

There are calculated risks associated with Lender's proposed lien on TT BID revenues. Should the proposed loan default in Years 1 through 7, of the proposed nine year loan term, Lender's right to claim accelerated payment of the full outstanding loan balance would range from approximately 50% to 180% of TT BID 2015 total annual revenues (see **Attachment C** to this report). In this case, insufficient funds would remain to deliver some or all of the non-lighting related special benefit services outlined in the TT BID 2015 Management Plan (e.g. cleaning, marketing, safety patrols, etc.) for a period of approximately one to two years. The risk to non-lighting services diminishes in Years 8 and 9, corresponding to a progressive decrease in outstanding loan balance.

Risk of loan default is mitigated due to the fact that, as a condition of the loan, Lender is requiring Borrower to maintain a primary deposit relationship with Lender who would then have the right to automatically debit annual loan payments from Borrower's deposit account each time the City deposits TT BID 2015 funds into such account (pursuant to Borrower's Disbursement Agreement with the City). Given this, the probability of default would primarily exist only if: 1) prior to the loan being repaid in 2024, the district is dissolved and the City and County cease collecting and depositing TT BID 2015 assessment funds into Borrower's deposit account; or, 2) the City ceases disbursing assessment funds into Borrower's deposit account pursuant to Borrower's breach (and consequent loss of rights to receive TT BID 2015 funds) of the related Disbursement Agreement with the City.

In the case of scenario 1 above, BID enabling legislation prohibits the dissolution of districts where there is outstanding indebtedness (Oakland Municipal Code Section 4.48.220); therefore, the risk of scenario 1 occurring is low to non-existent. In the case of scenario 2 above, Borrower successfully administered the prior Temescal/Telegraph Avenue Business Improvement District 2005 for ten years, demonstrating Borrower's capacity to operate such districts while maintaining compliance with related City terms and conditions on a long term basis. Therefore, the probability of scenario 2 occurring is also mitigated.

Alternative #1	An alternative proposal would be for Borrower to phase the currently proposed installation of 83 lights over a longer period of time. Historically, all prior phases of lighting installation have involve fewer lights (45 lights, 42 lights and 15 lights in Phases 1, 2 and 3, respectively), including Phase 2 which was financed 71% by the prior BID's cash reserves (of \$275,000) and 29% by a private bank loan (of \$110,000). The current financing proposal consists of 1% TT BID 2015 cash reserves (of \$5,000) and 99% bank loan (of \$880,000).
Pros:	Phasing of installation would enable TT BID 2015 to accumulate and use more cash reserves and fewer borrowed dollars to finance the project. Doing so would decrease interest payments due (interest on the currently proposed loan equals \$226,100 over nine years) as well as reduce the long-term risk to non-lighting services since

	smaller bank liens on TT BID 2015 revenues would leave more (unliened) funds available to continue non-lighting related services in the event of loan default.
Cons:	Phasing would delay installation of all 83 lights and district representatives are eager to complete Phase 4 installation as soon as possible. Representatives state that pedestrian oriented lights are the highest priority of the TT BID 2015, indicating that they have considered multiple ways to install the proposed lights and that the current proposal was selected as the most efficient and cost-effective. Installing a small group of lights each year was determined, by district representatives, to significantly add to cost because the contractor must mobilize and demobilize for repeated small projects and the cost of both material and labor would likely increase each year.
Reason for not recommending:	Should Council decide to consider Alternative #1, installation of the proposed lighting would be delayed for an undetermined amount of time while TT BID 2015 representatives developed details of an alternate phased installation plan. It is also unknown whether Lender would be willing to later commit to alternate (lesser) loan amounts to accommodate a phased financing scenario. Lender has currently committed to providing gap financing (up to \$880,000) to the proposed project and without Council's adoption of the attached resolution, Borrower will be unable to secure Lender's currently proposed loan, and, consequently, unable to install related lighting as currently proposed.

Given the above, should City Council choose to adopt the attached resolution, staff recommends that it be contingent upon Borrower's satisfaction of all City terms and conditions as follows:

1. Prior to the beginning of construction of the proposed lighting project, TT BID 2015 representatives clarify, in writing, with Oakland Public Works the roles and responsibilities of each party as regards on-going maintenance (including utility costs) of the proposed lighting fixtures, including in the event the TT BID 2015 is not reauthorized upon expiration in 2024. Currently, TT BID 2015 representatives have stated that the district will repair and maintain the proposed lighting fixtures and poles and the City will pay for electricity, with the exception of electrical costs through April 2016 (approximately \$1,200), which will be paid for by Ray's Electricity, the lighting construction contractor. OPW staff has verbally acknowledged this arrangement, indicating that related electricity costs will be covered by Oakland Landscape and Lighting Assessment District revenues, estimated to be approximately \$300 per month.
2. That prior to the City Administrator's consent to the proposed arrangement, TT BID 2015 representatives present evidence to the City of debt-to-income capacity sufficient to service the proposed loan.

3. That prior to the City Administrator's consent to the proposed arrangement, the TT BID 2015 enter into an amended written agreement with the City (Disbursement Agreement) which may contain:
 - a. Clarifying language which permits the City to disburse assessment funds directly to the Lender on behalf of the TT BID 2015 in the event of loan default by the Borrower.
 - b. Provisions to exempt the City from any liability associated with the proposed lighting construction project
 - c. Provisions committing the TT BID 2015 to perform the work in conformance with the City of Oakland's standards and with approval of OPW in conformance with all applicable local, State, and Federal statutes, regulations, and building and housing codes.
4. If feasible, at the City's sole discretion, an exclusion clause reserving and protecting TT BID 2015 funds necessary to continue, without interruption, other non-lighting related services and activities described in the TT BID 2015 Management Plan.

FISCAL IMPACT

There is no fiscal impact anticipated to the City's general fund with the passage of the attached resolution. Should the City Council adopt the proposed resolution it would authorize the City Administrator to consent to the execution of an Assignment of Assessments ("assessment revenues") Agreement between the Borrower (Temescal/Telegraph Avenue Community Association) and Lender (Community Bank of the Bay) to direct partial assessment funds to the Lender from TT BID 2015 assessment revenue funds for a loan of up to \$880,000. Under normal conditions, the Borrower would service the loan using TT BID 2015 assessment revenue funds received through the City. Under conditions of default, the City would be allowed to disburse to Lender, collected assessment revenues, on behalf of the Borrower, from TT BID 2015 assessment revenue funds held in trust by the City. The Assignment Agreement includes a clause exempting the City's general and other fund from any obligation related to the proposed loan. Therefore, should the Borrower default on the loan, the City would only be obligated to disburse the assessment revenue to the Lender using the TT BID's own special assessment funds held by the City in the following trust account: Miscellaneous Trusts Fund (7999)/Treasury Operations Unit Organization (08721)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Temescal BID Program (TBID).

The Assessment Assignment Agreement will only allow a portion (attributable to lighting loan balance plus reasonable interest, penalties and fees) of the collected assessment funds to be retained by Lender, and only to the extent they have been received from the assessees.

The above special assessment funds are annually collected by the County of Alameda as a line item to the annual property tax bill of each affected property owner. The County then remits the amount received less the County's collection fee (approximately 1.7 percent of total

assessment) to the City. The City, in turn, disburses the funds to the TT BID 2015, less a one percent administrative fee, (or would, in the event of loan default, disburse them to a designated Lender) pursuant to a written agreement, as amended, between the City and the Temescal Telegraph Avenue Community Association of Oakland, the TT BID's non-profit management corporation. The one percent City administrative fee will be deposited into the General Fund (1010) primarily to offset the cost of staffing support from the City's Economic and Workforce Development Department.

PUBLIC OUTREACH / INTEREST

District administrators have indicated that property owners were informed of the proposed lighting plan. Additionally, during formation of the TT BID 2015 by City Council and adoption of the related TT BID 2015 Management Plan (in which the pedestrian lighting project is listed) all affected property owners were allowed to vote and comment regarding whether or not to form the TT BID 2015. This was pursuant to a related public hearing and a majority protest procedure. Borrower is also charged, by the City's Disbursement Agreement as well as the TT BID 2015 Management Plan, to perform ongoing outreach to affected property owners during the course of providing related special benefit services., as needed.

COORDINATION

The Controller's Bureau, Office of the City Attorney, and the Oakland Public Works were consulted in the preparation of this report and/or its attachments and exhibits.

SUSTAINABLE OPPORTUNITIES

Economic: Adoption of the attached resolution would support TT BID 2015 efforts to install new pedestrian oriented lighting intended to improve the image and public perception of safety along the corresponding commercial corridor in a manner supportive of ongoing economic development within district.

Environmental: No specific environmental opportunities have been identified.

Social Equity: BIDs increase the ability of affected property owners to shape and participate in the economic and social environment of their respective neighborhoods. This may be compatible with certain aspects of some social equity models.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to consent to execution of an Assignment of Assessments Loan Collateral Agreement between the Temescal Telegraph Avenue Community Association Of Oakland ("Borrower") and Community Bank Of The Bay ("Lender") to disburse assessment funds to Lender from Temescal/Telegraph Business Improvement District 2015 ("TT BID 2015") special assessment funds held on behalf of the TT BID 2015 in support of the Temescal Telegraph Pedestrian Lighting Project.

For questions regarding this report, please contact Maria Rocha, BID Program Manager, at 510-238-6176.

Respectfully submitted,



Mark Sawicki, Director
Economic and Workforce Development Department

Prepared by:
Maria Rocha, BID Program Manager
Economic Development

Attachments (3):

- A. 2015 Pedestrian Lighting Plan and Budget
- B. TTBD 2015's proof of ability to pay and maintain non-lighting programs
- C. Lender's Proposed Loan Amortization Schedule (as of 8/26/2015)

Attachment A
2015 PEDESTRIAN LIGHTING PLAN & BUDGET
Temescal Telegraph Business Improvement District 2015

USES OF FUNDS						11/12/2015	
SEGMENT	Scope	Estimated Units	Estimated Unit Cost	Cost Estimate	TTBID Zone 1	TTBID Zone 2	
4.A. Telegraph: 49th - Aileen St		18					
49th - 51st	Both sides	11	10,560	116,163	116,163		
51st - 55th	West side	7	10,560	73,922	73,922		
55th - Aileen	West side	4	10,560	42,241	31,681	10,560	
4.B. Telegraph: North St. to Berk. City Limit	Both sides	16	10,560	168,964		168,964	
4.C. Shattuck: 46th-52nd St. (+\$8,500 PG&E Connector)	West side	15	10,560	166,904	166,904		
4.D. 40th St.: Telegraph - Broadway	Both sides	30	10,560	316,807	316,807		
TOTAL FUNDED PROJECT		83		885,000	705,476	179,524	
					80%	20%	
DEFERRED INSTALLATION ⁽¹⁾							
4.A. Telegraph 49th - Aileen		12					
Nautilus 51st - 55th	East side	9	10,560	95,042	95,042		
55th - Aileen	East side	3	10,560	31,681	21,120	10,560	
4.C. (Def.) Shattuck: 46th - 52nd St.	East Side	13	10,560	137,283	137,283		
4.E. (Def.) Telegraph: 40th - MacArthur	Both sides	13	10,560	137,283	137,283		
DEFERRED FUNDING PROJECT		38		401,289	390,729	10,560	
TOTAL PROJECT		121		1,286,289	1,096,205	190,084	
					85%	15%	

(1) Lights whose installation is deferred are included in approved project plans, but are pending raising additional funds from the following sources:
 Nautilus 51st & Telegraph, MacArthur Transit Village Partners, Assessment Increment funds from build out of MacArthur Transit Village
 BART, 4th Bore Funds, & other approved projects in the district expected to be constructed in 2016-2017

SOURCES of FUNDS for FUNDED PROJECT				TTBID Zone 1	TTBID Zone 2
				80%	20%
TTBID Cash				\$ 4,000	\$ 1,000
TTBID Loan - Community Bank of the Bay				\$ 701,490	\$ 178,510
Principal \$ 880,000					
Annual Debt Service \$ 122,900				\$ 5,000	
				\$ 92,969	\$ 24,931

Attachment B

TTBID 2015's proof of ability to pay and maintain non-lighting programs
INCOME & EXPENSES - CALENDAR YEAR 2016

PROWSO		<i>Zone 1</i>	<i>Zone 2</i>	<i>Zone 3</i>	<i>Condos</i>	Total
Allocated PROWSO Revenue		\$ 211,386	\$ 44,883	\$ 21,718	\$ 11,583	\$ 289,570
Proposed PROWSO Expenditures						
	Peralta Services	\$ 98,500	\$ 21,500	\$ 12,000	\$ 5,000	\$ 137,000
	Security measures	\$ 28,500	\$ -	\$ -	\$ 1,500	\$ 30,000
	Children's Hosp. Maintenance			\$ 5,000		\$ 5,000
	Improvement Mini Grants	\$ 1,500	\$ 1,000	\$ -	\$ -	\$ 2,500
	Loan service on Ped lighting	\$ 72,886	\$ 20,566	\$ -	\$ 5,000	\$ 98,452
	Pes Lighting	\$ 4,000	\$ 1,000			\$ 5,000
	Executive Director fees	\$ 10,000	\$ 4,000	\$ 1,000	\$ -	\$ 15,000
	Total Proposed PROWSO Expenditures	\$ 215,386	\$ 48,066	\$ 18,000	\$ 11,500	\$ 292,952
	PROWSO Pro Forma Surplus / (Deficit)	\$ (4,000)	\$ (3,183)	\$ 3,718	\$ 83	\$ (3,382)
MARKETING & IDENTITY ENHANCEMENT						
Allocated Marketing Revenue		\$ 66,939	\$ 14,213	\$ 6,877	\$ 3,668	\$ 91,697
Proposed Marketing Expenditures						
	Temescal Street Fair	\$ (5,000)	\$ -	\$ -	\$ -	\$ (5,000)
	Street Cinema	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000
	New Event (40th St.)	\$ 5,250	\$ -	\$ -	\$ 250	\$ 5,500
	Temescal Flows	\$ -	\$ -	\$ -	\$ -	\$ -
	New Banners	\$ 9,000	\$ 2,500			\$ 11,500
	XMAS Decorations	\$ 5,000	\$ 2,000			\$ 7,000
	Tree Lights	\$ 3,500	\$ 1,500			\$ 5,000
	Semi-Annual Art Hop	\$ 2,000	\$ -	\$ -	\$ 500	\$ 2,500
	Halloween Event	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
	Cross-Telegraph Banner	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500
	Child.Hosp. Strtscp Improv/Mtrnce			\$ 5,000		\$ 5,000
	Local Security Network	\$ 1,000	\$ 400			\$ 1,400
	Temescal News & Views	\$ 1,200				\$ 1,200
	East Bay Express Ad	\$ 800	\$ 200			\$ 1,000
	Website, Logo, Maps, Directories	\$ 3,000	\$ 1,500	\$ 750	\$ 750	\$ 6,000
	Loan Service on Ped lighting	\$ 20,085	\$ 4,363			\$ 24,448
	Exec Directors Fees	\$ 8,000	\$ 2,250	\$ 1,125	\$ 1,125	\$ 12,500
	Total Proposed Marketing Expenditures	\$ 61,335	\$ 14,713	\$ 6,875	\$ 2,625	\$ 85,548
	Marketing Pro Forma Surplus / (Deficit)	\$ 5,604	\$ (500)	\$ 2	\$ 1,043	\$ 6,149
ADMINISTRATION						
Allocated Administration Revenue		\$ 56,370	\$ 11,969	\$ 5,791	\$ 3,089	\$ 77,219
Proposed Admin Expenses						
	Executive Director fees	\$ 33,763	\$ 7,169	\$ 3,469	\$ 1,850	\$ 46,250
	Rent	\$ 6,570	\$ 1,395	\$ 675	\$ 360	\$ 9,000
	Phone and Internet	\$ 1,351	\$ 287	\$ 139	\$ 74	\$ 1,850
	Food for meetings	\$ 1,716	\$ 364	\$ 176	\$ 94	\$ 2,350
	Legal and Accounting	\$ 4,015	\$ 853	\$ 413	\$ 220	\$ 5,500
	Insurance	\$ 5,110	\$ 1,085	\$ 525	\$ 280	\$ 7,000
	Professional Development	\$ 1,095	\$ 233	\$ 113	\$ 60	\$ 1,500
	Office Supplies and Other	\$ 1,460	\$ 310	\$ 150	\$ 80	\$ 2,000
	Total Proposed Admin Expenditures	\$ 55,079	\$ 11,695	\$ 5,659	\$ 3,018	\$ 75,450
	Admin Pro Forma Surplus / (Deficit)	\$ 1,291	\$ 274	\$ 133	\$ 71	\$ 1,769
CONTINGENCY						
Allocated Revenue		\$ 17,615	\$ 3,740	\$ 1,810	\$ 965	\$ 24,131
	TOTAL BUDGETED REVENUE	\$ 362,310	\$ 74,805	\$ 36,196	\$ 19,305	\$ 482,616
	<i>Check</i>	<i>73.0%</i>	<i>15.5%</i>	<i>7.5%</i>	<i>4.0%</i>	<i>100%</i>
	TOTAL PROPOSED EXPENDITURES	\$ 331,800	\$ 74,474	\$ 30,534	\$ 17,143	\$ 453,960
	TOTAL SURPLUS / (DEFICIT)	\$ 20,510	\$ 332	\$ 5,662	\$ 2,162	\$ 28,666

Notes

Includes sidewalk & planter cleaning, graffiti graffiti removal, steam clean sidewalks, water and maintain planters, 40th St. median maintenance and illegal dump removal

\$880,000 9 yrs = \$10,241.66/mo = \$122,900 annual debt service. Net DS taken from MIE below per pg 21 of the TTBID 2015 District Management Plan

Income generated by Street Fair

Attachment C

Loan Amortizer

Lender's Proposed Loan Amortization Schedule (as of 8/26/2015)

Temescal/Telegraph Avenue Community Association

Principal \$880,000
Rate 5.2500%
Term 108
Payment Frequency Monthly
Interest Frequency Monthly

Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
1	\$ 880,000.00	\$ 10,241.66	\$ 3,850.00	\$ 6,391.66		\$ 873,608.34
2	\$ 873,608.34	\$ 10,241.66	\$ 3,822.04	\$ 6,419.62		\$ 867,188.72
3	\$ 867,188.72	\$ 10,241.66	\$ 3,793.95	\$ 6,447.71		\$ 860,741.01
4	\$ 860,741.01	\$ 10,241.66	\$ 3,765.74	\$ 6,475.92		\$ 854,265.09
5	\$ 854,265.09	\$ 10,241.66	\$ 3,737.41	\$ 6,504.25		\$ 847,760.84
6	\$ 847,760.84	\$ 10,241.66	\$ 3,708.95	\$ 6,532.71		\$ 841,228.13
7	\$ 841,228.13	\$ 10,241.66	\$ 3,680.37	\$ 6,561.29		\$ 834,666.85
8	\$ 834,666.85	\$ 10,241.66	\$ 3,651.67	\$ 6,589.99		\$ 828,076.85
9	\$ 828,076.85	\$ 10,241.66	\$ 3,622.84	\$ 6,618.82		\$ 821,458.03
10	\$ 821,458.03	\$ 10,241.66	\$ 3,593.88	\$ 6,647.78		\$ 814,810.25
11	\$ 814,810.25	\$ 10,241.66	\$ 3,564.79	\$ 6,676.87		\$ 808,133.38
12	\$ 808,133.38	\$ 10,241.66	\$ 3,535.58	\$ 6,706.08		\$ 801,427.31
		\$ 122,899.92	\$ 44,327.23	\$ 78,572.69		

Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
13	\$ 801,427.31	\$ 10,241.66	\$ 3,506.24	\$ 6,735.42		\$ 794,691.89
14	\$ 794,691.89	\$ 10,241.66	\$ 3,476.78	\$ 6,764.88		\$ 787,927.01
15	\$ 787,927.01	\$ 10,241.66	\$ 3,447.18	\$ 6,794.48		\$ 781,132.53
16	\$ 781,132.53	\$ 10,241.66	\$ 3,417.45	\$ 6,824.21		\$ 774,308.32
17	\$ 774,308.32	\$ 10,241.66	\$ 3,387.60	\$ 6,854.06		\$ 767,454.26
18	\$ 767,454.26	\$ 10,241.66	\$ 3,357.61	\$ 6,884.05		\$ 760,570.21
19	\$ 760,570.21	\$ 10,241.66	\$ 3,327.49	\$ 6,914.17		\$ 753,656.05
20	\$ 753,656.05	\$ 10,241.66	\$ 3,297.25	\$ 6,944.41		\$ 746,711.63

Loan Amortizer

21	\$ 746,711.63	\$ 10,241.66	\$ 3,266.86	\$ 6,974.80	\$ 739,736.84
22	\$ 739,736.84	\$ 10,241.66	\$ 3,236.35	\$ 7,005.31	\$ 732,731.53
23	\$ 732,731.53	\$ 10,241.66	\$ 3,205.70	\$ 7,035.96	\$ 725,695.57
24	\$ 725,695.57	\$ 10,241.66	\$ 3,174.92	\$ 7,066.74	\$ 718,628.83
		\$ 122,899.92	\$ 40,101.44	\$ 82,798.48	

Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
25	\$ 718,628.83	\$ 10,241.66	\$ 3,144.00	\$ 7,097.66		\$ 711,531.17
26	\$ 711,531.17	\$ 10,241.66	\$ 3,112.95	\$ 7,128.71		\$ 704,402.46
27	\$ 704,402.46	\$ 10,241.66	\$ 3,081.76	\$ 7,159.90		\$ 697,242.56
28	\$ 697,242.56	\$ 10,241.66	\$ 3,050.44	\$ 7,191.22		\$ 690,051.33
29	\$ 690,051.33	\$ 10,241.66	\$ 3,018.97	\$ 7,222.69		\$ 682,828.65
30	\$ 682,828.65	\$ 10,241.66	\$ 2,987.38	\$ 7,254.28		\$ 675,574.36
31	\$ 675,574.36	\$ 10,241.66	\$ 2,955.64	\$ 7,286.02		\$ 668,288.34
32	\$ 668,288.34	\$ 10,241.66	\$ 2,923.76	\$ 7,317.90		\$ 660,970.44
33	\$ 660,970.44	\$ 10,241.66	\$ 2,891.75	\$ 7,349.91		\$ 653,620.53
34	\$ 653,620.53	\$ 10,241.66	\$ 2,859.59	\$ 7,382.07		\$ 646,238.46
35	\$ 646,238.46	\$ 10,241.66	\$ 2,827.29	\$ 7,414.37		\$ 638,824.09
36	\$ 638,824.09	\$ 10,241.66	\$ 2,794.86	\$ 7,446.80		\$ 631,377.29
		\$ 122,899.92	\$ 35,648.38	\$ 87,251.54		

Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
37	\$ 631,377.29	\$ 10,241.66	\$ 2,762.28	\$ 7,479.38		\$ 623,897.90
38	\$ 623,897.90	\$ 10,241.66	\$ 2,729.55	\$ 7,512.11		\$ 616,385.79
39	\$ 616,385.79	\$ 10,241.66	\$ 2,696.69	\$ 7,544.97		\$ 608,840.82
40	\$ 608,840.82	\$ 10,241.66	\$ 2,663.68	\$ 7,577.98		\$ 601,262.84
41	\$ 601,262.84	\$ 10,241.66	\$ 2,630.52	\$ 7,611.14		\$ 593,651.71
42	\$ 593,651.71	\$ 10,241.66	\$ 2,597.23	\$ 7,644.43		\$ 586,007.27
43	\$ 586,007.27	\$ 10,241.66	\$ 2,563.78	\$ 7,677.88		\$ 578,329.39
44	\$ 578,329.39	\$ 10,241.66	\$ 2,530.19	\$ 7,711.47		\$ 570,617.92
45	\$ 570,617.92	\$ 10,241.66	\$ 2,496.45	\$ 7,745.21		\$ 562,872.72
46	\$ 562,872.72	\$ 10,241.66	\$ 2,462.57	\$ 7,779.09		\$ 555,093.63

Loan Amortizer

47	\$ 555,093.63	\$ 10,241.66	\$ 2,428.53	\$ 7,813.13		\$ 547,280.50
48	\$ 547,280.50	\$ 10,241.66	\$ 2,394.35	\$ 7,847.31		\$ 539,433.19
		\$ 122,899.92	\$ 30,955.83	\$ 91,944.09		

Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
49	\$ 539,433.19	\$ 10,241.66	\$ 2,360.02	\$ 7,881.64		\$ 531,551.55
50	\$ 531,551.55	\$ 10,241.66	\$ 2,325.54	\$ 7,916.12		\$ 523,635.43
51	\$ 523,635.43	\$ 10,241.66	\$ 2,290.91	\$ 7,950.75		\$ 515,684.68
52	\$ 515,684.68	\$ 10,241.66	\$ 2,256.12	\$ 7,985.54		\$ 507,699.14
53	\$ 507,699.14	\$ 10,241.66	\$ 2,221.18	\$ 8,020.48		\$ 499,678.66
54	\$ 499,678.66	\$ 10,241.66	\$ 2,186.09	\$ 8,055.57		\$ 491,623.09
55	\$ 491,623.09	\$ 10,241.66	\$ 2,150.85	\$ 8,090.81		\$ 483,532.29
56	\$ 483,532.29	\$ 10,241.66	\$ 2,115.45	\$ 8,126.21		\$ 475,406.08
57	\$ 475,406.08	\$ 10,241.66	\$ 2,079.90	\$ 8,161.76		\$ 467,244.32
58	\$ 467,244.32	\$ 10,241.66	\$ 2,044.19	\$ 8,197.47		\$ 459,046.86
59	\$ 459,046.86	\$ 10,241.66	\$ 2,008.33	\$ 8,233.33		\$ 450,813.53
60	\$ 450,813.53	\$ 10,241.66	\$ 1,972.31	\$ 8,269.35		\$ 442,544.17
		\$ 122,899.92	\$ 26,010.90	\$ 96,889.02		

Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
61	\$ 442,544.17	\$ 10,241.66	\$ 1,936.13	\$ 8,305.53		\$ 434,238.65
62	\$ 434,238.65	\$ 10,241.66	\$ 1,899.79	\$ 8,341.87		\$ 425,896.78
63	\$ 425,896.78	\$ 10,241.66	\$ 1,863.30	\$ 8,378.36		\$ 417,518.42
64	\$ 417,518.42	\$ 10,241.66	\$ 1,826.64	\$ 8,415.02		\$ 409,103.40
65	\$ 409,103.40	\$ 10,241.66	\$ 1,789.83	\$ 8,451.83		\$ 400,651.57
66	\$ 400,651.57	\$ 10,241.66	\$ 1,752.85	\$ 8,488.81		\$ 392,162.76
67	\$ 392,162.76	\$ 10,241.66	\$ 1,715.71	\$ 8,525.95		\$ 383,636.81
68	\$ 383,636.81	\$ 10,241.66	\$ 1,678.41	\$ 8,563.25		\$ 375,073.56
69	\$ 375,073.56	\$ 10,241.66	\$ 1,640.95	\$ 8,600.71		\$ 366,472.85
70	\$ 366,472.85	\$ 10,241.66	\$ 1,603.32	\$ 8,638.34		\$ 357,834.51
71	\$ 357,834.51	\$ 10,241.66	\$ 1,565.53	\$ 8,676.13		\$ 349,158.37
72	\$ 349,158.37	\$ 10,241.66	\$ 1,527.57	\$ 8,714.09		\$ 340,444.28

Loan Amortizer

	\$ 122,899.92		\$ 20,800.03	\$ 102,099.89		
Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
73	\$ 340,444.28	\$ 10,241.66	\$ 1,489.44	\$ 8,752.22		\$ 331,692.06
74	\$ 331,692.06	\$ 10,241.66	\$ 1,451.15	\$ 8,790.51		\$ 322,901.56
75	\$ 322,901.56	\$ 10,241.66	\$ 1,412.69	\$ 8,828.97		\$ 314,072.59
76	\$ 314,072.59	\$ 10,241.66	\$ 1,374.07	\$ 8,867.59		\$ 305,205.00
77	\$ 305,205.00	\$ 10,241.66	\$ 1,335.27	\$ 8,906.39		\$ 296,298.61
78	\$ 296,298.61	\$ 10,241.66	\$ 1,296.31	\$ 8,945.35		\$ 287,353.26
79	\$ 287,353.26	\$ 10,241.66	\$ 1,257.17	\$ 8,984.49		\$ 278,368.77
80	\$ 278,368.77	\$ 10,241.66	\$ 1,217.86	\$ 9,023.80		\$ 269,344.97
81	\$ 269,344.97	\$ 10,241.66	\$ 1,178.38	\$ 9,063.28		\$ 260,281.70
82	\$ 260,281.70	\$ 10,241.66	\$ 1,138.73	\$ 9,102.93		\$ 251,178.77
83	\$ 251,178.77	\$ 10,241.66	\$ 1,098.91	\$ 9,142.75		\$ 242,036.02
84	\$ 242,036.02	\$ 10,241.66	\$ 1,058.91	\$ 9,182.75		\$ 232,853.26
		\$ 122,899.92	\$ 15,308.90	\$ 107,591.02		
Payment	Beginning	Payment	Interest	Principal	Add. Principal	Ending
85	\$ 232,853.26	\$ 10,241.66	\$ 1,018.73	\$ 9,222.93		\$ 223,630.34
86	\$ 223,630.34	\$ 10,241.66	\$ 978.38	\$ 9,263.28		\$ 214,367.06
87	\$ 214,367.06	\$ 10,241.66	\$ 937.86	\$ 9,303.80		\$ 205,063.25
88	\$ 205,063.25	\$ 10,241.66	\$ 897.15	\$ 9,344.51		\$ 195,718.75
89	\$ 195,718.75	\$ 10,241.66	\$ 856.27	\$ 9,385.39		\$ 186,333.36
90	\$ 186,333.36	\$ 10,241.66	\$ 815.21	\$ 9,426.45		\$ 176,906.90
91	\$ 176,906.90	\$ 10,241.66	\$ 773.97	\$ 9,467.69		\$ 167,439.21
92	\$ 167,439.21	\$ 10,241.66	\$ 732.55	\$ 9,509.11		\$ 157,930.10
93	\$ 157,930.10	\$ 10,241.66	\$ 690.94	\$ 9,550.72		\$ 148,379.38
94	\$ 148,379.38	\$ 10,241.66	\$ 649.16	\$ 9,592.50		\$ 138,786.88
95	\$ 138,786.88	\$ 10,241.66	\$ 607.19	\$ 9,634.47		\$ 129,152.42
96	\$ 129,152.42	\$ 10,241.66	\$ 565.04	\$ 9,676.62		\$ 119,475.80
		\$ 122,899.92	\$ 9,522.45	\$ 113,377.47		

Loan Amortizer

Payment	Begining	Payment	Interest	Principal	Add. Principal	Ending
97	\$ 119,475.80	\$ 10,241.66	\$ 522.71	\$ 9,718.95		\$ 109,756.84
98	\$ 109,756.84	\$ 10,241.66	\$ 480.19	\$ 9,761.47		\$ 99,995.37
99	\$ 99,995.37	\$ 10,241.66	\$ 437.48	\$ 9,804.18		\$ 90,191.19
100	\$ 90,191.19	\$ 10,241.66	\$ 394.59	\$ 9,847.07		\$ 80,344.12
101	\$ 80,344.12	\$ 10,241.66	\$ 351.51	\$ 9,890.15		\$ 70,453.96
102	\$ 70,453.96	\$ 10,241.66	\$ 308.24	\$ 9,933.42		\$ 60,520.54
103	\$ 60,520.54	\$ 10,241.66	\$ 264.78	\$ 9,976.88		\$ 50,543.66
104	\$ 50,543.66	\$ 10,241.66	\$ 221.13	\$ 10,020.53		\$ 40,523.12
105	\$ 40,523.12	\$ 10,241.66	\$ 177.29	\$ 10,064.37		\$ 30,458.75
106	\$ 30,458.75	\$ 10,241.66	\$ 133.26	\$ 10,108.40		\$ 20,350.35
107	\$ 20,350.35	\$ 10,241.66	\$ 89.03	\$ 10,152.63		\$ 10,197.72
108	\$ 10,197.72	\$ 10,242.34	\$ 44.62	\$ 10,197.72		
		\$ 122,900.60	\$ 3,424.80	\$ 119,475.80		

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 NOV 19 PM 2:07

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Approved as to form and legality


Oakland City Attorney's Office

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO CONSENT TO EXECUTION OF AN ASSIGNMENT OF ASSESSMENTS LOAN COLLATERAL AGREEMENT BETWEEN THE TEMESCAL TELEGRAPH AVENUE COMMUNITY ASSOCIATION OF OAKLAND ("BORROWER") AND COMMUNITY BANK OF THE BAY ("LENDER") TO DISBURSE TO LENDER FROM TEMESCAL / TELEGRAPH AVENUE BUSINESS IMPROVEMENT DISTRICT OF 2015 ("TTBID 2015") SPECIAL ASSESSMENT FUNDS HELD ON BEHALF OF THE TTBID 2015 IN SUPPORT OF THE TEMESCAL TELEGRAPH PEDESTRIAN LIGHTING PROJECT

WHEREAS, the City of Oakland Business Improvement Management District Ordinance allows for the formation of business improvement management districts (Chapter 4.48, Ordinance 12190, 1999); and

WHEREAS, affected property owners petitioned to form the Temescal/Telegraph Business Improvement District of 2015 ("TTBID 2015") under said legislation to implement the Management Plan for the TTBID 2015 which is on file with the City Clerk ("Management Plan"); and

WHEREAS, the Management Plan provides for enhanced services such as new security, crime prevention, beautification, parking resolution, sidewalk sweeping, economic development, lighting, and marketing activities with the intent of creating a positive atmosphere in the TTBID 2015 area; and

WHEREAS, pursuant to the requirements of the law the TTBID 2015 was established on July 29, 2014 pursuant to Resolution No. 85148 C.M.S.; and

WHEREAS, Borrower, a non-profit corporation comprised of property owners from the TTBID 2015, has been designated by the City to serve as the TTBID 2015's management corporation; and

WHEREAS, pursuant to a disbursement agreement, as amended, between Borrower and the City ("Disbursement Agreement"), the City receives the assessments on behalf of the TTBID 2015, and disburses said assessments to the Borrower annually, terminating on December 31, 2015 in the approximate amount of \$482,616 for the FY 2015-2016; and

WHEREAS, it is the City's intent to amend the above Disbursement Agreement to extend the term to December 31, 2024 contingent upon the City approval of annual reports to be submitted to the City by a duly appointed Temescal BID Advisory Board; and

WHEREAS, until disbursement, the City holds the assessments in a special trust fund established by the Finance and Management Agency on behalf of the TTBID 2015 in Miscellaneous Trusts Fund (7999)/Treasury Operations Unit Organization (08721)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Temescal BID Program (TBID) (hereinafter the "TTBID Trust Fund"); and

WHEREAS, the TTBID 2015 wishes to make certain lighting improvements determined to be within the scope of the Management Plan and wishes to enter into a loan agreement with Community Bank of the Bay ("Lender") in the amount of up to \$880,000 ("Loan") for the purpose of financing, in part, the TTBID 2015 capital project called the Temescal Telegraph Pedestrian Lighting Project; and

WHEREAS, the Borrower and the Lender would like the Loan to be secured by the anticipated assessment revenues to be received by the Borrower on behalf of the TTBID 2015 under the Disbursement Agreement which are deposited into the TTBID Trust Fund; and

WHEREAS, the proposed Assignment of Assessments Agreement ("Assignment Agreement") will assign to the Lender as loan collateral, those sums payable to the Borrower from the City under the Disbursement Agreement which are deposited into the TTBID Trust Fund in order to secure the Loan; and

WHEREAS, the proposed Assignment Agreement will not obligate the City to disburse any assessments to Lender from funds received, owned or controlled by the City except from TTBID Trust Fund; and

WHEREAS, the proposed Assignment Agreement will not obligate the City to disburse any assessments to the Lender in excess of those assessments received by the City on behalf of the TTBID 2015, pursuant to the Disbursement Agreement which are deposited into the TTBID Trust Fund, now therefore be it

RESOLVED, that the City Administrator is hereby authorized to execute an amendment to the Disbursement Agreement, which will serve as City's consent to the Borrower's execution of an Assignment Agreement between the Borrower and the Lender, to assign to the Lender those assessments payable to the Borrower (TTBID2015) under the Disbursement Agreement which are deposited into the TTBID Trust Fund for the purpose of securing the Loan; and be it

FURTHER RESOLVED, that the authority granted by this resolution is made on the condition that the Loan will not exceed \$880,000; and be it

FURTHER RESOLVED, that the Assignment Agreement will expressly state that the City is under no obligation to disburse any assessments to the Lender in excess of those

assessments received on behalf of the TT BID 2015 pursuant to the Disbursement Agreement which are deposited into the TT BID Trust Fund, subject to the City's superior right to deduct its administrative fees; and be it

FURTHER RESOLVED, that the Assignment Agreement shall expressly state that the City's general fund or any other funds owned, controlled or administered by the City except for the above-referenced TT BID Trust Fund, are under no obligation to make payments to the Lender; and be it

FURTHER RESOLVED, that prior to construction of the lighting project to be financed by the Loan, Borrower shall confirm in writing with the City's Public Works Agency the roles and responsibilities of Borrower and City as regards ongoing maintenance, including payment of related utility costs, of the proposed lighting fixtures, including in the event the TT BID 2015 is not reauthorized upon expiration in 2024; and be it

FURTHER RESOLVED, that prior to the City Administrator's consent to execution of the Assignment Agreement, Borrower shall present to the City evidence of the TT BID 2015's income and debt service capacity to adequately service the Loan; and be it

FURTHER RESOLVED, that prior to the City Administrator's consent to execution of the Assignment Agreement Borrower shall present for City review and approval a total financing plan for the Telegraph Avenue Pedestrian Oriented Lighting Project; and be it

FURTHER RESOLVED, that as a condition to the City Administrator's consent to execution of the Assignment Agreement Borrower shall present evidence to the City of Borrower's and TT BID 2015's financial capacity after servicing debt on the Loan to continue providing without interruption non-lighting related services and activities within the TT BID 2015 as required by the Management Plan; and be it

FURTHER RESOLVED, that as a condition to the City Administrator's consent to execution of the Assignment Agreement, Borrower shall, at the City's sole discretion, perform the following:

- be required to enter into an amended Disbursement Agreement with the City which shall confirm the City's ability to release the TT BID 2015 assessment revenue funds directly to the Lender in the event of Loan default, and the Borrower's duty to indemnify the City from any liability associated with construction of the proposed lighting project or any claims or suits by Lender to seek funds from the City which are beyond the amounts on deposit in the TT BID Trust Fund;
- shall commit Borrower to perform the work in conformance with the City's standards and with approval of the City's Public Works Agency in conformance with all applicable local, state and federal statutes, regulations, and building and housing codes,
- shall confirm that the City has a superior right to deduct its administrative fee from any assessment revenues before forwarding any remaining funds to Lender ; and be it

FURTHER RESOLVED, that the TT BID 2015's assessment funds held in the TT BID 2015 Trust Fund may be released directly to the Lender in the event of Loan default only according to the schedule set forth in Section 5.3.1 of the Disbursement Agreement; and be it

FURTHER RESOLVED, that as a condition to the City Administrator's consent to execution of the Assignment Agreement, Borrower and TT BID 2015 shall comply with all other City terms and conditions to be stipulated; and be it

FURTHER RESOLVED, that the Assignment Agreement shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2015

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

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