



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2014 JAN 16 AM 10:03

AGENDA REPORT

TO: DEANNA J SANTANA
CITY ADMINISTRATOR

FROM: Katano Kasaine

SUBJECT: Sewer Revenue Refunding Bonds
2014 Series A

DATE: January 14, 2014

City Administrator

Date

Approval

1/15/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff is recommending that the City Council adopt a resolution approving the issuance and sale of not to exceed \$55,000,000 aggregate principal amount of the City of Oakland Sewer Revenue Refunding Bonds, 2014 Series A to refund Sewer Revenue Bonds, 2004 Series A, approving the form of and authorizing the execution and delivery of a second supplemental indenture, escrow agreement, continuing disclosure agreement and bond purchase agreement, approving the form of and authorizing the distribution of a preliminary official statement and authorizing the execution and delivery of an official statement, and authorizing necessary actions related thereto

REASON FOR SUPPLEMENTAL

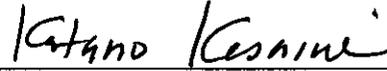
At the January 14, 2014 meeting, the Finance and Management Committee requested staff to modify the proposed resolution to reflect the change in the new money component, staff indicated that there is no need for new project money after further analysis. The City will not be issuing new project money for capital improvement in the amount of approximately \$15 million as previously indicated in the report to the Finance and Management Committee.

Staff recommends refunding of the 2004 Series A to achieve debt service savings. Based upon market conditions as they existed on December 13, 2013, the refunding will represent approximately \$430 million or 88% in net present value savings which is approximately \$114 million in debt service savings.

Item _____
City Council
January 21, 2014

For questions regarding this report, please contact Katano Kasaine, City Treasurer, at (510) 238-2989

Respectfully submitted,



KATANO KASAINE
City Treasurer, Treasury Division

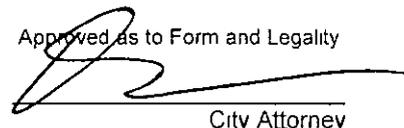
Prepared by
Dawn Hort, Financial Analyst
Treasury Division

Item _____
City Council
January 21, 2014

14 JAN 16 PM 12:32

REVISED

Approved as to Form and Legality



City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO _____ C.M.S.

RESOLUTION APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$7155,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF OAKLAND SEWER REVENUE REFUNDING BONDS, 2014 SERIES A TO REFUND SEWER REVENUE BONDS, 2004 SERIES A AND TO FINANCE CAPITAL IMPROVEMENTS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE, ESCROW AGREEMENT, CONTINUING DISCLOSURE AGREEMENT AND BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AND AUTHORIZING NECESSARY ACTIONS RELATED THERETO

WHEREAS, the City of Oakland (the "City") is a municipal corporation and charter city duly organized and existing under a charter pursuant to which the City has the right and power to make and enforce all laws and regulations in respect to municipal affairs and certain other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and Section 106 of the Charter of the City (the "Charter"), and

WHEREAS, the City Council of the City, acting under and pursuant to the powers reserved to the City under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and Sections 106 and 812 of the Charter, adopted Ordinance No 12624 C M S to authorize, and establish the procedures for, the sale and issuance of sewer revenue bonds by the City for the purpose of financing improvements to the City's sewer system (the "Sewer System"), and

WHEREAS, the City by execution and delivery of a Master Indenture dated as of December 1, 2004 (the "Master Indenture"), as supplemented by a First Supplemental Indenture dated as of December 1, 2004 (the "First Supplemental Indenture" and collectively with the Master Indenture, the "Indenture") by and between the City and ~~Wells-Fargo-Bank-National-Association~~ The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), issued its \$62,330,000 City of Oakland Sewer Revenue Bonds, 2004 Series A (the "Prior Bonds"), and

WHEREAS, the Indenture provides for the issuance of additional bonds, and

WHEREAS, the City wishes to issue bonds under the Indenture by the execution and delivery of a Second Supplemental Indenture in compliance with the provisions of the Master Indenture (the "Second Supplemental Indenture"), and

WHEREAS, the Second Supplemental Indenture shall set forth the terms and provisions relating to the issuance of the City of Oakland Sewer Revenue Refunding Bonds, 2014 Series A (the "Bonds"), shall provide for the application of the proceeds of the Bonds, including the refunding of the Prior Bonds, and shall set forth other terms and provisions relating to the Bonds, and

WHEREAS, the City desires to sell the Bonds by negotiated sale to Siebert Brandford Shank & Co, L L C and Blaylock Robert Van, LLC (the "Underwriters") pursuant to a bond purchase agreement (the "Bond Purchase Agreement"), and

WHEREAS, there have been submitted and are on file with the City Clerk proposed forms of the Second Supplemental Indenture, an escrow agreement (the "Escrow Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N A Wells Fargo Bank National Association, as escrow agent (the "Escrow Agent"), a continuing disclosure agreement (the "Continuing Disclosure Agreement"), an official statement (the "Official Statement"), and the Bond Purchase Agreement, all with respect to the Bonds proposed to be issued and sold, and now therefore be it

RESOLVED that all of the above recitals are true and correct, and be it

FURTHER RESOLVED that the issuance of the Bonds in an aggregate principal amount not to exceed \$7055,000,000, is hereby authorized and approved. The City Administrator is hereby authorized and directed to execute (by manual or facsimile signature) the Bonds, and the City Clerk is hereby authorized and directed to affix and attest the seal of the City and to cause the Bonds to be authenticated and delivered in accordance with the Indenture. The proceeds of the Bonds shall be applied to refund the Prior Bonds and to pay costs of issuance of the Bonds ~~and if approved by the City Administrator to finance capital improvements to the Sewer System~~. The true interest cost for the Bonds shall not exceed 5 5% per annum and the final maturity date of the Bonds shall be not later than June 15, 2045. The Bonds shall be in substantially the form set forth in the Second Supplemental Indenture, with such changes therein, deletions therefrom and additions thereto as the City Administrator or the City Treasurer, or a designee of either such official, and the City Attorney, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bonds, and be it

FURTHER RESOLVED that the proposed form of Second Supplemental Indenture, on file with the City Clerk, is hereby approved. The City Administrator or the City Treasurer, or a designee of either such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Second Supplemental Indenture, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof, and be it

FURTHER RESOLVED that the proposed form of Escrow Agreement on file with the City Clerk, is hereby approved. The City Administrator or the City Treasurer, or a

designee of either such official, is hereby authorized and directed for and in the name and on behalf of the City, to execute and deliver the Escrow Agreement, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof, and be it

FURTHER RESOLVED that the proposed form of Bond Purchase Agreement on file with the City Clerk, is hereby approved. The City Administrator or the City Treasurer, or a designee of either such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Bond Purchase Agreement, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof, provided, however, that the underwriters' discount (exclusive of original issue discount) shall not exceed 0.5% of the aggregate principal amount of the Bonds, and be it

FURTHER RESOLVED that the preparation and distribution of a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in substantially the form and substance on file with the City Clerk, is hereby ratified and approved. The City Administrator or the City Treasurer, or a designee of either such official, is authorized to deem such Preliminary Official Statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12, and is further authorized to approve the final Official Statement with such changes therein, deletions therefrom and modifications thereto, such approval to be conclusively evidenced by the execution and delivery thereof by such officer, and be it

FURTHER RESOLVED that the City hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Agreement to be executed by the City and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof and be it

FURTHER RESOLVED that First Southwest Company, is hereby appointed to serve as financial advisor, Orrick, Herrington & Sutcliffe LLP is hereby appointed to serve as bond counsel and Stradhng Yocca Carlson & Rauth, P C is hereby appointed to serve as disclosure counsel in connection with the issuance of the Bonds, and be it

FURTHER RESOLVED that the City Administrator or the City Treasurer, or a designee of either such official, and other appropriate officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby and be it

FURTHER RESOLVED that all actions heretofore taken by the officers and agents of the City Council with respect to the transactions contemplated hereby are hereby ratified, confirmed and approved, and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2014

PASSED BY THE FOLLOWING VOTE

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

NOES -

ABSENT -

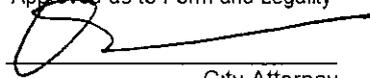
ABSTENTION -

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

14 JAN 16 PM 12:32

REVISED

Approved as to Form and Legality



City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S

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RESOLVED that all of the above recitals are true and correct, and be it

FURTHER RESOLVED that the issuance of the Bonds in an aggregate principal amount not to exceed \$55,000,000, is hereby authorized and approved The City Administrator is hereby authorized and directed to execute (by manual or facsimile signature) the Bonds, and the City Clerk is hereby authorized and directed to affix and attest the seal of the City and to cause the Bonds to be authenticated and delivered in accordance with the Indenture The proceeds of the Bonds shall be applied to refund the Prior Bonds and to pay costs of issuance of the Bonds The true interest cost for the Bonds shall not exceed 5 5% per annum and the final maturity date of the Bonds shall be not later than June 15, 2045. The Bonds shall be in substantially the form set forth in the Second Supplemental Indenture, with such changes therein, deletions therefrom and additions thereto as the City Administrator or the City Treasurer, or a designee of either such official, and the City Attorney, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bonds , and be it

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FURTHER RESOLVED that the preparation and distribution of a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), in substantially the form and substance on file with the City Clerk, is hereby ratified and approved. The City Administrator or the City Treasurer, or a designee of either such official, is authorized to deem such Preliminary Official Statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12, and is further authorized to approve the final Official Statement with such changes therein, deletions therefrom and modifications thereto, such approval to be conclusively evidenced by the execution and delivery thereof by such officer, and be it

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FURTHER RESOLVED that all actions heretofore taken by the officers and agents of the City Council with respect to the transactions contemplated hereby are hereby ratified confirmed and approved, and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA _____, 2014

PASSED BY THE FOLLOWING VOTE

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

NOES -

ABSENT -

ABSTENTION -

ATTEST _____

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