SERICE OF THE CITY OF ERA

2017 SEP 29 AM 9: 27

Approved as to Form and Legality

Deputy City Attorney

## **OAKLAND CITY COUNCIL**

RESOLUTION NO 86939 C.M.S.

RESOLUTION AUTHORIZING THE ASSUMPTION FROM THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY ("ORSA") OF APPROXIMATELY \$47.5 MILLION IN LOANS MADE BY ORSA TO FOX OAKLAND THEATER, INC., FOR THE RENOVATION OF THE FOX THEATER, AND AUTHORIZING A COMPENSATION AGREEMENT WITH ORSA TO PAY 30% OF LOAN REPAYMENTS

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency") entered into an Amended and Restated Fox Theater Disposition and Development Agreement ("DDA") on December 15, 2006 with Fox Oakland Theater, Inc. ("FOT") to ground lease the Fox Theater at 1807 Telegraph Avenue for 60 years and undertake the restoration of the property, and for the Redevelopment Agency to provide loans to carry out the restoration; and

**WHEREAS**, renovation of the Fox Theater required numerous funding sources including Redevelopment Agency loans, New Markets Tax Credits, Historic Tax Credits, governmental and private grants, and a commercial loan; and

WHEREAS, with the dissolution of redevelopment agencies, the Fox Theater loans, as Redevelopment Agency assets, were transferred under the dissolution law to the Oakland Redevelopment Successor Agency ("ORSA") as the successor agency to the Redevelopment Agency; and

**WHEREAS**, the Fox Theater loan assets have a current value of \$47,534,470 in principal and approximately \$27,420,975 in accrued interest; and

WHEREAS, the Fox Theater property is listed on ORSA's Long Range Property Management Plan as a property held to fulfill existing obligations, i.e., the tax credit investor buy out, loan repayment guaranty (both completed) and various contingent commitments to the tax credit investors; and after these obligations are fulfilled, the Fox Theater property will be transferred to the City pursuant to the Long Range Property Management Plan to be retained for future development; and

WHEREAS, the City has proposed that ORSA assign the Fox Theater loan assets to the

City, contingent on the City agreeing to pay 30% of the loan repayments received by the City to ORSA for the terms of the loans; and

**WHEREAS**, as part of the transaction, the City is willing to take over financial responsibility for staffing costs associated with the Fox Theater and associated project loans from ORSA; now, therefore, be it

**RESOLVED**: That the City Council hereby authorizes the City Administrator to accept assignment and assume the Fox Theater loan assets from ORSA; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to enter into a compensation agreement with ORSA obligating the City to pay 30% of loan repayments to ORSA for the terms of the assumed loans; and be it

**FURTHER RESOLVED:** That 30% of the loan payments from FOT will be deposited in Central District Projects Fund (5610) in a project to be determined and these funds will be authorized to be appropriated and then paid the Oakland Redevelopment Successor Agency, and the remaining 70% will be deposited in Central District: TA Bonds Series 2006T Fund (5614) in a project to be determined for addition to the City's Bond Spending Plan; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to negotiate, approve, and execute loan assignment agreements, the compensation agreement, and all other related documents necessary to transfer the Fox Theater project loans to the City; and be it

**FURTHER RESOLVED:** That all documents related to this transaction shall be approved for form and legality by the City Attorney, and a copy shall be kept on file with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Administrator or her designees are authorized negotiate and execute documents, administer the loans, make payments, provide staffing, and take other actions with respect to the transaction consistent with this Resolution and its basic purposes.

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, MANAGER, KALB,

WHAT AND PRESIDENT REID, \_\_ \_

NOES-Kaplan

ABSENT -

ABSTENTION -

Excused - Gullan -

City Resolution Fox Theater LDDA Assignment 10-10-17

LaTonda Simmons

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