

**CITY OF OAKLAND**  
***COUNCIL AGENDA REPORT***

TO: Office of the City Manager  
ATTN: Robert C. Bobb  
FROM: Financial Services Agency  
DATE: April 24, 2001  
RE: REFUNDING OF THE CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY 1992 LEASE REVENUE BONDS (CITY OF  
OAKLAND CONVENTION CENTERS PROJECT)

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**SUMMARY**

In November 1992, the City of Oakland (the “City”), through the California Statewide Communities Development Authority (the “Authority”), issued 1992 Lease Revenue Bonds (the “Bonds”) totaling \$149,825,000 in connection with the acquisition of the Henry J. Kaiser Convention Center (the “Kaiser Center”) and the Oakland Convention Center – George P. Scotlan Memorial (the “Scotlan Convention Center”) through a sale-leaseback transaction. As a result of the recent decline in interest rates, these Bonds can now be refinanced by the Oakland Joint Powers Financing Authority (the “JPFA”) through the issuance of Lease Revenue Refunding Bonds, Series 2001 (the “Refunding Bonds”), which would result in lower annual debt service payments for the City.

**FISCAL IMPACTS**

Based upon current assumptions regarding interest rates and fees, net present value savings to the City as a result of issuing the Refunding Bonds is estimated to be \$7.1 million (net present value) or 5.8% of refunding par, which is above the commonly-used 3–5% threshold. This will result in a lower debt service appropriation from the General Fund of approximately \$700,000 a year. It is proposed that savings be taken uniformly through maturity of the debt. It is expected that the bonds will be insured by a municipal bond insurance policy to be issued by AMBAC Indemnity Corporation simultaneously with the issuance of the Bonds. Insured bonds result in a lower borrowing cost to the City.

**BACKGROUND**

In November 1992, the Bonds were issued to finance a transaction in which the Authority purchased two convention facilities, the Kaiser Convention Center and Scotlan Convention Center, from two private corporations. The Authority then leased the Convention Centers to the City pursuant to an Amended and Restated Lease Agreement (the “Lease Agreement”), dated as of November 1, 1992. The Bonds are special limited obligations of the Authority payable solely from and secured by a pledge of lease payments by the City to the Authority under the Lease Agreement.

## **KEY ISSUES AND IMPACTS**

As a result of the current interest rate environment, the City finds itself in a position to refinance the existing Bonds with Refunding Bonds offering a lower interest rate. Such a refinancing will benefit the City in the form of lower annual debt payments. Based upon certain interest rate assumptions, net present value savings to the City is estimated to be \$7.1 million or \$700,000 million a year in annual savings.

Legal counsel for the City has determined that by amending and restating the Lease Agreement between the City and the Authority, certain structural issues can be addressed that will produce more efficient legal documents. These minor conforming changes to the Lease Agreement would allow the Bonds to be replaced with the Refunding Bonds, thereby lowering the City's annual debt payment. A further change would replace the Authority with the Oakland Joint Powers Financing Authority (the "JPFA") as the issuer of the Refunding Bonds. This change will save the City an additional \$20,145 in annual administrative costs.

In order to accomplish the refinancing, the City would need to adopt a resolution authorizing the issuance and sale by the JPFA of the Refunding Bonds. The City would also need to adopt an ordinance approving the corresponding amendments to the existing Lease Agreement needed for the issuance of the Refunding Bonds.

## **ENVIRONMENTAL OPPORTUNITIES**

There is no impact to environmental opportunities following actions under this report.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

There is no impact to disability or senior citizen access following actions under this report.

## **RECOMMENDATIONS AND RATIONALE**

Staff recommends that the City approve a resolution authorizing the issuance of the Refunding Bonds, and an ordinance approving amendments to the Lease Agreement. These actions will allow material savings to occur for the City, by reducing the net annual contribution used to pay debt service. Staff also recommends that the City engage the following financing team members to complete the transaction: Orrick, Herrington & Sutcliffe LLP and Webster & Anderson, LLP as Co-Bond Counsel; Public Financial Management as Financial Advisor; UBS Paine Webber Inc. and M.R. Beal & Company as Co-Senior Underwriters; and Morgan Stanley & Co, Inc. and Henderson Capital Partners, LLP as Co-Managers.

## **ACTION REQUESTED OF THE CITY COUNCIL**

In order to proceed with this financing, Council will need to approve the resolution to authorize the issuance and sale by the Oakland Joint Powers Financing Authority of Lease Revenue Refunding Bonds. Furthermore, Council approval of the accompanying ordinance is required to

authorize the execution and delivery of the related amendments to a Lease Agreement. Also, it is requested that Council approve the appointment of the financing team members.

It is expected that the transaction will close in May 2001. All documents referred to in this staff report are on file in the Office of the City Clerk.

Respectfully submitted,

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**DEBORAH EDGERLY**

Director, Financial Services Agency

Prepared by:

Joseph T. Yew, Jr.  
Treasury Manager

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE

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**OFFICE OF THE CITY MANAGER**

# OAKLAND JOINT POWERS FINANCING AUTHORITY

## RESOLUTION NO. 2001-\_\_

**A RESOLUTION OF THE OAKLAND JOINT POWERS FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS LEASE REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$165,000,000; AUTHORIZING THE PROCUREMENT OF BOND INSURANCE AND A RESERVE FUND SURETY BOND; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, A SECOND AMENDED AND RESTATED GROUND LEASE, A SECOND AMENDED AND RESTATED LEASE AND SUBLEASE, AN ASSIGNMENT AGREEMENT, A BOND PURCHASE CONTRACT, AN ESCROW AGREEMENT, THE OFFICIAL STATEMENT (IN PRELIMINARY AND FINAL FORM) AND CERTAIN OTHER FINANCING AND RELATED DOCUMENTS; AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE ISSUANCE OF THE BONDS**

*WHEREAS, the City of Oakland (the "City") and the Redevelopment Agency of the City of Oakland (the "Agency") have heretofore executed a Joint Exercise of Powers Agreement, dated as of February 1, 1993 (the "Joint Powers Agreement"), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Oakland Joint Powers Financing Authority (the "Authority"); and*

*WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits; and*

*WHEREAS, in order to assist the City in refinancing the construction and rehabilitation of the Henry J. Kaiser Convention Center and the Convention Center-George P. Scotlan (together, the "Convention Centers"), the California Statewide Communities Development Authority (the "CSCDA") issued its 1992 Lease Revenue Bonds (City of Oakland Convention Centers Project) in the aggregate principal amount of \$149,825,000 (the "Prior Bonds"); and*

*WHEREAS, the Convention Centers are located wholly within the geographical boundaries of the City*

*WHEREAS, in connection with the Prior Bonds the City, as owner of the land (the "Sites") upon which the Convention Centers are located, and CSCDA entered into an Amended and Restated Ground Lease, dated as of November 1, 1992 (the "1992 Ground Lease"), by and between the City as Lessor and the CSCDA as Lessee, whereby the City agreed to lease the Sites to the CSCDA; and*

*WHEREAS, pursuant to an Amended and Restated Lease and Sublease, dated as of November 1, 1992 (the "1992 Lease Agreement"), by and between CSCDA as Lessor and the City as Lessee, the CSCDA leased the Convention Centers to the City and subleased the Sites to the City; and*

*WHEREAS, the Authority has determined to assist the City with the refinancing of the Prior Bonds to achieve rental cost savings to the City under the 1992 Lease Agreement; and*

*WHEREAS, the Authority desires to authorize the issuance and sale of its Lease Revenue Refunding Bonds (Oakland Convention Centers), Series 2001, in an aggregate principal amount not to exceed*

*\$165,000,000 (the "Bonds"), to refinance the Prior Bonds, purchase bond insurance, acquire a debt service reserve fund surety bond and pay costs of issuance related to the Bonds; and*

**WHEREAS**, *the Authority desires to enter into an Indenture of Trust (the "Indenture") with The Chase Manhattan Bank, as trustee (the "Trustee"), for the purpose of securing the Bonds; and*

**WHEREAS**, *in connection with the issuance of the Bonds, CSCDA will assign and transfer to the Authority all of its leasehold interests in the 1992 Ground Lease and 1992 Lease Agreement and all of its fee interest in and to the Convention Centers pursuant to the terms and provisions of a sale, assignment and assumption agreement (the "Assignment Agreement"), by and between the CSCDA and the Authority; and*

**WHEREAS**, *in connection with the issuance of the Bonds, the Authority desires to lease the Sites from the City pursuant to a Second Amended and Restated Ground Lease (the "Ground Lease"), by and between the City and the Authority and, the Authority further desires to sublease back the Sites and lease the Convention Centers to the City pursuant to a Second Amended and Restated Lease and Sublease Agreement (the "Lease Agreement"), by and between the Authority and the City; and*

**WHEREAS**, *upon issuance of the Bonds and in connection with the sale, assignment and assumption pursuant to the Assignment Agreement and the refinancing of the Prior Bonds, the Authority will deposit funds with the Trustee, as escrow agent (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement"), by and among the Escrow Agent, the Authority and CSCDA; and*

**WHEREAS**, *the issuance of the Bonds by the Authority and the execution and delivery of the documents authorized hereby will result in significant public benefits to the City including, but not limited to, demonstrable rental payment savings achieved through lower effective interest rates; and*

**WHEREAS**, *there has been prepared and presented to this governing board for consideration at this meeting the documentation required to be executed and delivered by the Authority for the issuance of the Bonds; and*

**WHEREAS**, *pursuant to the Act and the Joint Powers Agreement, the Authority is authorized to sell the Bonds at a negotiated sale; and*

**WHEREAS**, *the Authority desires to enter into a purchase contract for the Bonds with UBS Paine Webber, as representative of itself, M.R. Beal & Company, Morgan Stanley & Co. Incorporated and Henderson Capital Partners, LLC (collectively, the "Underwriters") and approved by the City; and*

**WHEREAS**, *Orrick, Herrington & Sutcliffe LLP, San Francisco and Webster & Anderson, Oakland are serving as co-bond counsel in connection with this financing; and*

**WHEREAS**, *the City desires to retain the firm of Public Financial Management, Inc., San Francisco as financial advisor in connection with this financing; and*

**WHEREAS**, *it appears that each of the documents that are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered by the Authority for the purposes intended;*

**NOW THEREFORE, BE IT RESOLVED** *by the governing board (the "Board") of the Oakland Joint Powers Financing Authority, as follows:*

**Section 1.** *All the recitals set forth above are true and correct and the Board so finds and determines.*

**Section 2.** The issuance and sale of the Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds (Oakland Convention Centers), Series 2001 (the "Bonds"), in an aggregate principal amount not to exceed \$165,000,000, are hereby approved.

**Section 3.** The proposed form of Indenture, by and between the Authority and the Trustee, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee an indenture in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (not to exceed October 1, 2019), interest rate or rates (not to exceed 8%), interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in said indenture, as finally executed.

**Section 4.** The proposed form of Ground Lease, by and between the Authority and the City, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver such lease in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The proposed form of Lease Agreement, by and between the Authority and the City, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver such lease in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The proposed form of Assignment Agreement, by and between the Authority and CSCDA, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver an assignment agreement in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 7.** The proposed form of Purchase Contract, by and between the Authority and the Underwriters and approved by the City on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President,

Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver a purchase contract in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the underwriting discount (not including original issue discount) shall not exceed 0.5% of the aggregate principal amount of the Bonds.

**Section 8.** The proposed form of Escrow Agreement, among the Authority, CSCDA and the Escrow Agent, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver an escrow agreement in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 9.** The proposed form of the preliminary official statement relating to the Bonds (the "Preliminary Official Statement"), on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved for use in connection with the public offering of the Bonds, with such changes as may be required or approved by the President Vice President, Executive Director, Secretary, Treasurer/Auditor of the Authority or any of their respective authorized designees. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds is hereby approved and the President, Vice-President or Executive Director of the Authority is hereby authorized and directed, jointly and severally, to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12. The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to assist in the preparation of a final Official Statement (the "Official Statement") in substantially the form of the Preliminary Official Statement, and to execute and deliver an Official Statement, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds.

**Section 10.** The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized to enter into an agreement with Public Financial Management, Inc. as financial advisor in connection with the Bonds.

**Section 11.** The President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority to obtain bond insurance for all or any portion of the Bonds and a reserve fund surety bond, if determined by such officer of the Authority to be in the economic interest of the Authority.

**Section 12.** The Bonds in an aggregate principal amount not to exceed \$165,000,000 shall be executed by the manual or facsimile signature of the President, Vice President or Executive Director of the Authority in the form set forth and otherwise in accordance with the Indenture.

**Section 13.** All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, or any substitution or addition of security for the Bonds or any redemption of the Bonds may be taken or given by the President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official without further authorization by this Board, and such officials are hereby authorized and directed to give such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution and the transactions contemplated hereby.

**Section 14.** All action heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds by the Authority are hereby approved, confirmed and ratified, and the President, Vice-President, Executive Director, Secretary, Treasurer/Auditor of the Authority or a designee of any such official is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements (including a Tax Certificate and Agreement) and other documents, whether before or after the issuance of the Bonds, including but not limited to those described in the Indenture, the Purchase Contract and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and the transactions contemplated hereby.

**Section 15.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of April, 2001.

OAKLAND JOINT POWERS FINANCING  
AUTHORITY

By: \_\_\_\_\_  
*President*

ATTEST:

\_\_\_\_\_  
Secretary

*I, the undersigned, the duly appointed, and qualified Secretary of the Oakland Joint Powers Financing Authority, do hereby certify that the foregoing resolution was duly adopted by the governing board of*

said Authority at a duly called meeting of the governing board of said Authority held in accordance with law on \_\_\_\_\_, 2001.

By: \_\_\_\_\_  
Secretary

**OAKLAND CITY COUNCIL**

**ORDINANCE NO. \_\_\_\_\_ C.M.S.**

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**AN ORDINANCE APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDED AND RESTATED GROUND LEASE, A SECOND AMENDED AND RESTATED LEASE AND SUBLEASE AGREEMENT TO SUBLEASE THE CONVENTION CENTER SITES AND TO LEASE THE CONVENTION CENTER FACILITIES AND IMPROVEMENTS FROM THE OAKLAND JOINT POWERS FINANCING AUTHORITY, AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTION RELATING TO THE FOREGOING MATTERS, ALL IN CONNECTION WITH A TAX-EXEMPT LEASE REVENUE BOND REFINANCING BY THE OAKLAND JOINT POWERS FINANCING AUTHORITY OF THE HENRY J. KAISER CONVENTION CENTER AND THE OAKLAND CONVENTION CENTER-GEORGE P. SCOTLAN MEMORIAL IN AN AMOUNT NOT TO EXCEED \$165,000,000**

*WHEREAS, in 1982-1983, the City of Oakland (the "City") implemented a tax-exempt debt financing arrangement to help finance the construction and rehabilitation, respectively, of the Oakland Convention Center-George P. Scotlan Memorial and the Henry J. Kaiser Convention Center, both situate in the City of Oakland (collectively, the "Convention Centers"); and*

*WHEREAS, the City owns the land (the "Sites") upon which the Convention Centers are located, and currently leases the Sites to the California Statewide Communities Development Authority, a California joint exercise of powers authority ("CSCDA"), pursuant to an Amended and Restated Ground Lease dated as of November 1, 1992 (the "1992 Ground Lease"); and*

***WHEREAS**, CSCDA owns the facilities and improvements comprising the Convention Centers, which facilities and improvements (the "Facilities") were refinanced with the proceeds of CSCDA's tax-exempt lease revenue bonds issued in December 1992 (the "1992 Bonds"); and*

***WHEREAS**, CSCDA subleases the Sites and leases the Facilities to the City pursuant to an Amended and Restated Lease and Sublease Agreement dated as of November 1, 1992 (the "1992 Facilities Lease"), under which the City pays rent to CSCDA in such annual amounts as are calculated to be sufficient to pay annual debt service on the 1992 Bonds through and including the final maturity of the Bonds in October 2014; and*

***WHEREAS**, the City, in consultation with a team comprised of a financial advisor and several investment banking firms, has determined that refinancing the 1992 Bonds at current tax-exempt market rates would result in achieving rental cost savings to the City under the 1992 Facilities Lease, and such cost savings will result in significant public benefits and will further the public purposes of the City; and*

***WHEREAS**, the City and the Redevelopment Agency of the City of Oakland (the "Agency") have heretofore executed a Joint Exercise of Powers Agreement, dated as of February 1, 1993 (the "Joint Powers Agreement"), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Oakland Joint Powers Financing Authority (the "Authority"); and*

***WHEREAS**, the proposed tax-exempt lease revenue bond refinancing structure contemplates that, in consideration of the defeasance and repayment of the 1992 Bonds, CSCDA will assign and transfer to the Authority all of its leasehold interests in and to the 1992 Site Lease and the 1992 Facilities Lease and all of its fee interest in and to the Facilities, and*

***WHEREAS**, following said assignment as contemplated, the Authority will replace CSCDA in the Convention Centers financing structure, and the Authority and the City will enter into a Second Amended and Restated Ground Lease (the "Ground Lease") and a Second Amended and Restated Lease and Sublease Agreement (the "Facilities Lease"); and*

***WHEREAS**, the primary substantive change contemplated between the 1992 Facilities Lease and the Facilities Lease is a reduction in the annual lease payments payable by the City under the Facilities Lease; and*

***WHEREAS**, Section 219 of the Charter authorizes the City by ordinance to acquire real property interests including leases, and to lease any City property;*

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 16. Section 1.** The proposed form of Ground Lease, by and between the City, as Lessor and the Authority, as Lessee, on file with the City Clerk, is hereby approved. The City Manager, the Assistant City Manager, the Director, Financial Services Agency, the Treasury Manager or a designee of any such official is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Ground Lease, 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 term of the Ground Lease shall not extend beyond October 1, 2019.

**Section 17. Section 2.** The proposed form of Facilities Lease, by and between the Authority, as Lessor and the City, as Lessee, on file with the City Clerk, is hereby approved. The City Manager, the Assistant City Manager, the Director, Financial Services Agency, the Treasury Manager or a designee of any such official is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Facilities Lease, substantially in such form, with such changes therein as such officer may require or approve, including without limitation a determination of the schedule of rental payments, such approval to be conclusively evidenced by the execution thereof; provided, however, that: (i) the maximum interest rate for the Facility Lease shall be eight percent (8%) per annum; (ii) the term of the Facility Lease shall not extend beyond October 1, 2019; and (iii) the aggregate principal amount of the Facility Lease shall not exceed \$165,000,000 over its remaining term. The City hereby consents to and approves the assignment of all leasehold interests under the Facilities Lease from CSCDA, as prior lessor, to the Authority, as successor lessor, and the release and discharge of CSCDA from the obligations of the 1992 Facilities Lease, and the City shall attorn to the Authority as the successor to CSCDA as lessor.

**Section 18. Section 3.** The City Manager, the Assistant City Manager, the Director, Financial Services Agency, the Treasury Manager or a designee of any such official is hereby authorized to negotiate and execute documents and take whatever related action as may be required in furtherance of this Ordinance and its fundamental purposes with respect to the leasing and subleasing of the Sites and the leasing of the Facilities and the use thereof, and the assignment of leasehold interests from CSCDA to the Authority in furtherance of the refinancing arrangement contemplated herein.

**Section 19. Section 4.** All documents shall be approved as to form and legality by the City Attorney's Office and copies shall be filed with the Office of the City Clerk.

**Section 20. Section 5.** The Council hereby finds and declares that the above recitals are true and correct and that the leases authorized and the financing contemplated under this Ordinance are municipal affairs of the City, are proper public purposes, are in the public interest, convenience, and welfare, are for the common benefit of the residents of the City and will result in significant public benefits.

**Section 21. Section 6.** This Ordinance shall take effect immediately upon its passage upon final adoption by the affirmative vote of at least six members of the Council. If this Ordinance receives upon final adoption the affirmative vote of fewer than six members of the Council, then it shall be effective upon the seventh day after final adoption; subject, however, to the Mayor's authority to suspend the taking effect of this Ordinance as provided by Section 216 of the Charter.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2001

**PASSED BY THE FOLLOWING VOTE:**

AYES -

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

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

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_  
CITY ATTORNEY

## **NOTICE AND DIGEST**

**AN ORDINANCE APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDED AND RESTATED GROUND LEASE, A SECOND AMENDED AND RESTATED LEASE AND SUBLEASE AGREEMENT TO SUBLEASE THE CONVENTION CENTER SITES AND LEASE THE CONVENTION CENTER FACILITIES AND IMPROVEMENTS FROM THE OAKLAND JOINT POWERS FINANCING AUTHORITY, AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTION RELATING TO THE FOREGOING MATTERS, ALL IN CONNECTION WITH A TAX-EXEMPT LEASE REVENUE BOND REFINANCING BY THE OAKLAND JOINT POWERS FINANCING AUTHORITY OF THE HENRY J. KAISER CONVENTION CENTER AND THE OAKLAND CONVENTION CENTER-GEORGE P. SCOTLAN MEMORIAL IN AN AMOUNT NOT TO EXCEED \$165,000,000**

This Ordinance authorizes a series of real estate lease and sublease transactions in connection with a proposed tax-exempt lease revenue bond refinancing related to refinancing debt on the Henry J. Kaiser Convention Center and the Oakland Convention Center-George P. Scotlan Memorial (collectively, the "Convention Centers") for the purpose of reducing lease payments payable by the City of Oakland for the use and enjoyment of the Convention Centers.