

City of Oakland, California  
And the  
Redevelopment Agency of the  
City of Oakland, California

**Annual Financial Information Statement  
Continuing Disclosure Filing**

**As of June 30, 2008**



January 2009

**CITY OF OAKLAND  
&  
REDEVELOPMENT AGENCY OF THE  
CITY OF OAKLAND**

**CITY COUNCIL AND  
BOARD OF THE REDEVELOPMENT AGENCY**

Jane Brunner (District 1)  
*President of the City Council  
and Agency Chair*

Ignacio De La Fuente (District 5)  
*Vice Mayor and Agency Member*

Rebecca Kaplan (At-Large)  
*Councilmember and Agency Member*

Patricia Kernighan (District 2)  
*Councilmember and Agency Member*

Nancy Nadel (District 3)  
*Councilmember and Agency Member*

Jean Quan (District 4)  
*Councilmember and Agency Member*

Desley Brooks (District 6)  
*Councilmember and Agency Member*

Larry Reid (District 7)  
*Councilmember and Agency Member*

**CITY AND REDEVELOPMENT AGENCY STAFF**

Honorable Ronald V. Dellums  
*Mayor and Agency Chief Executive Officer*

Dan Lindheim  
*Acting City Administrator and  
Agency Administrator*

Courtney A. Ruby  
*City Auditor*

LaTonda Simmons  
*City Clerk and Agency Secretary*

William E. Noland, Director  
*Finance & Management Agency  
and Agency Treasurer*

John Russo  
*City Attorney and Agency Counsel*

Katano Kasaine  
*Treasury Manager*

**CITY OF OAKLAND  
&  
REDEVELOPMENT AGENCY OF THE  
CITY OF OAKLAND**

**ANNUAL FINANCIAL INFORMATION STATEMENT  
FISCAL YEAR 2007-2008**

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## **1. INTRODUCTION**

This Report of Annual Financial Information (the “Report”) represents the consolidated continuing disclosure for the City of Oakland, California (the “City”); the Redevelopment Agency of the City of Oakland (the “Agency”); the Oakland Joint Powers Financing Authority (the “Authority”); and the Oakland-Alameda County Coliseum Authority (“OACCA”). The Report is being filed with each of the Nationally Recognized Municipal Securities Information Repositories (“NRMSIRs”) pursuant to the provisions of certain continuing disclosure certificates and continuing disclosure agreements listed in the table below.

<b>Name of Bonds</b>	<b>Final Maturity CUSIP<sup>(1)</sup></b>	<b>Original Par (\$000s)</b>	<b>Dated Date</b>	<b>Trustee/Paying Agent</b>	<b>Source of Undertaking</b>
<b><u>City of Oakland</u></b>					
City of Oakland Civic Improvement Corporation Variable Rate, COPs 1985	671900AA6	\$52,300	12/24/1985	The Bank of New York Milly Canessa (415) 263-2420	N/A
City of Oakland Taxable Pension Obligation Bonds, Series 1997, Sub-Series A&B	672319AL4 672319AM2 672319BK5 672319BQ2	SubA: \$420,494 SubB: \$15,795	2/1/1997	The Bank of New York Calvin Woo (415) 263-2426	Continuing Disclosure Certificate, February 25, 1997
City of Oakland Taxable Pension Obligation Bonds, Series 2001	672319BC3	\$195,636	10/17/2001	The Bank of New York Calvin Woo (415) 263-2426	Continuing Disclosure Certificate, October 17, 2001
City of Oakland Refunding Certificates of Participation, 2002 Series A (Oakland Museum)	671900AW8	\$16,295	3/21/2002	The Bank of New York Calvin Woo (415) 263-2426	Continuing Disclosure Certificate, March 21, 2002
City of Oakland General Obligation Bonds, (Series 2002A, Measure G)	672240MW5	\$38,000	11/6/2002	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, November 6, 2002
City of Oakland General Obligation Bonds, (Series 2003A, Measure DD)	672240PB8	\$71,450	8/6/2003	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, August 6, 2003
City of Oakland Sewer Revenue Bonds, 2004 Series A	67232NAZ1	\$62,330	12/14/2004	Wells Fargo Bank Cecil Bobey (415) 371-3357	Continuing Disclosure Certificate, December 14, 2004
City of Oakland General Obligation Bonds, (Series 2006, Measure G)	672240PX0	\$21,000	6/28/2006	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, June 28, 2006

Name of Bonds	Final Maturity CUSIP <sup>(1)</sup>	Original Par (\$000s)	Dated Date	Trustee/Paying Agent	Source of Undertaking
<b><u>Redevelopment Agency of the City of Oakland</u></b>					
Redevelopment Agency of the City of Oakland Central District Redevelopment Project Senior Tax Allocation Bonds Refunding, Series 1992	672321ET9	\$97,655	11/15/1992	The Bank of New York Calvin Woo (415) 263-2426	N/A
Redevelopment Agency of the City of Oakland Subordinated Housing Set-Aside Revenue Bonds 2000T (Federally Taxable)	67232PAE3	\$39,395	5/16/2000	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, May 16, 2000
Redevelopment Agency of the City of Oakland Central District Project Subordinated TABS, Series 2003	672321GH3	\$120,605	1/9/2003	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, January 9, 2003
Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated TABS, Series 2005	672321HL3	\$44,360	2/8/2005	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, February 8, 2005
Redevelopment Agency of the City of Oakland Subordinated Housing Set Aside Refunding TABs, Series 2006A and 2006A-T (taxable)	67232PAF0 67232PAT0	\$84,840	4/4/2006	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, April 4, 2006
Redevelopment Agency of the City of Oakland Broadway/MacArthur Redevelopment Project TABs, Series 2006C-TE and 2006C-T (taxable)	672321JK3 672321JM9	\$17,270	10/12/2006	Wells Fargo Bank Cecil Bobey (415) 371-3357	Continuing Disclosure Certificate, October 12, 2006
Redevelopment Agency of the City of Oakland Central City East Redevelopment Project TABs, Series 2006A-TE and 2006A-T (taxable)	672321HM1 672321HP4	\$76,300	10/12/2006	Wells Fargo Bank Cecil Bobey (415) 371-3357	Continuing Disclosure Certificate, October 12, 2006
Redevelopment Agency of the City of Oakland Coliseum Redevelopment Project TABs, Series 2006B-TE and 2006B-T (taxable)	672321JG2 672321JJ6	\$102,590	10/12/2006	Wells Fargo Bank Cecil Bobey (415) 371-3357	Continuing Disclosure Certificate, October 12, 2006
Redevelopment Agency of the City of Oakland Central District Redevelopment Project Subordinated TABs, Series 2006T (taxable)	672321JR8	\$33,135	11/21/2006	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, November 21, 2006

Name of Bonds	Final Maturity CUSIP <sup>(1)</sup>	Original Par (\$000s)	Dated Date	Trustee/Paying Agent	Source of Undertaking
<b><u>Joint Power Financing Authority</u></b>					
Oakland Joint Powers Financing Authority Special Assessment Pooled Revenue Bonds, Series 1996-A	67227YAZ4	\$465	8/1/1996	The Bank of New York Milly Canessa (415) 263-2420	Exempt (Less than \$1 Million in par)
Oakland Joint Powers Financing Authority Special Assessment Pooled Revenue Bonds, Series 1997	67227YBK6	\$1,250	12/3/1997	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, December 3, 1997
Oakland Joint Powers Financing Authority Reassessment Revenue Bonds, Series 1999	67227PAP5	\$7,255	7/27/1999	The Bank of New York Calvin Woo (415) 263-2426	Continuing Disclosure Certificate, July 27, 1999
Oakland Joint Powers Financing Authority, Lease Revenue Refunding Bonds, (Oakland Convention Centers), Series 2001	67227WBT1	\$134,890	5/15/2001	The Bank of New York Calvin Woo (415) 263-2426	Continuing Disclosure Certificate, June 14, 2001
Oakland Joint Powers Financing Authority Revenue Bonds, (City of Oakland General Obligation Bond Program), Series 2005	67227RAU0	\$122,170	6/16/2005	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, June 16, 2005
Oakland Joint Powers Financing Authority, Lease Revenue Refunding Bonds, (Admin. Buildings), 2008 Series B	67227WCT0	\$113,450	5/1/2008	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, May 1, 2008
Oakland Joint Powers Financing Authority, Refunding Revenue Bonds, 2008 Series A1 & A2	67227RCL8	\$127,960	4/16/2008	The Bank of New York Milly Canessa (415) 263-2420	Continuing Disclosure Certificate, April 16, 2008
<b><u>Oakland-Alameda County Coliseum Authority</u></b>					
Oakland-Alameda County Coliseum Authority Lease Revenue Bonds 1996, Series A-1 & A-2 (Oakland Coliseum Arena Project)	672211AF6 672211AG4	\$70,000 \$70,000	8/2/1996	The Bank of New York Calvin Woo (415) 263-2426	Exempt (Variable Rate)
Oakland-Alameda County Coliseum Authority Lease Revenue Bonds (Oakland Coliseum Project) 2000, Refunding Series C-1, C-2 & D	672211AH2 672211AJ8 672211AK5	\$75,400 \$75,400 \$50,500	5/25/2000	The Bank of New York Calvin Woo (415) 263-2426	Exempt (Variable Rate)

<sup>(1)</sup>CUSIP number for final maturity is included for convenience only. No assurance as to the accuracy of such identification number is given.

This report contains the information required to be provided by the City, Agency, Authority and the OACCA for the Fiscal Year ended June 30, 2008 (the “Fiscal Year 2008 Annual Information”) under various continuing disclosure certificates and agreements (referred to collectively as the “Disclosure Undertakings”). The Disclosure Undertakings are for the benefit of the holders, owners and beneficial owners of the respective series of bonds and are intended to assist the underwriters of such bonds in complying with the terms and provisions of Rule 15c2-12 adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12).

The following additional documents have been filed separately with the NRMSIRs. The link for each of the documents is provided below only for the convenience of investors. Other than the documents listed immediately below, information on the City’s web site is not incorporated as part of this report.

1. City of Oakland Adopted Policy Budget – Fiscal Years **2007-2009**:  
<http://www.oaklandnet.com/budgetoffice/Policy%20Budget.htm>
2. Continuing Disclosure Annual Reports for “Special Assessment Pooled Revenue Bonds Series 1997” and “Reassessment Revenue Bonds Series 1999”:  
<http://www.nbsgov.com/disclosure/default.aspx>

The City and the Agency have each served as the conduit issuer for a variety of financings for which neither the City nor the Agency is obligated with respect to the payment of debt or the provision of continuing disclosure. Such conduit issues include industrial development bonds, health care bonds and housing bonds. For information regarding these conduit bonds, the appropriate conduit borrower should be contacted. Additionally, the Port of Oakland, a department of the City, is a separate reporting entity. No information relating to the Port of Oakland and its financings has been provided in this document. Such information may be requested directly from the Port by contacting (510) 627-1100.

No representation is made as to the materiality of the information set forth herein. Other relevant information for Fiscal Year 2008 may exist and other matters may have occurred or become known during or since June 30, 2008, which are not included herein and which a reasonable investor would consider to be important when making an investment decision. Further, no representation is made that the Fiscal Year 2008 Annual Information is indicative of financial or operating results of the City, Agency, Authority, and the OACCA since the end of Fiscal Year 2008.

Additionally, the City, Agency, Authority, and the OACCA have voluntarily included information in this report that is not required by the Disclosure Undertakings and/or pertains to bond issues not subject to continuing disclosure requirements either because they closed prior to the effective date of Rule 15c2-12 (January 1, 1996) or are exempt from such requirements due to their variable rate structure. The City, Agency, Authority, and the OACCA reserve the right to amend or withdraw this information at any time. This document is not intended to create disclosure requirements or a legal obligation to provide any or all of this information.

Some of the information contained in this report was obtained from sources outside the City. While the City, Agency, Authority, and the OACCA believe such sources to be reliable, the accuracy of such information is not guaranteed by the City, Agency, Authority, and the OACCA.

In all tables throughout this report, numbers may not add up due to rounding.

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## 2. ECONOMIC HIGHLIGHTS

The City of Oakland, located immediately east of the City and County of San Francisco in Alameda County, lies at the heart of the East Bay. Occupying approximately 53.8 square miles, the City's land uses range from industrialized lands bordering the Bay on the west to suburban foothills in the east. The City is served by two major interstate freeways, lies at the crossroads of the Bay Area Rapid Transit system and major railroads, and boasts a world-class seaport and a growing international airport. Oakland is a strategic location for companies seeking to move goods and ideas quickly and seamlessly through air, water, land or cyberspace.

Oakland has a solid, diverse mix of traditional and new economy companies. Companies are attracted to its excellent quality of life, comparatively lower business costs, extensive fiber-optic infrastructure, vast inter-modal network, and a highly skilled labor pool – ranked the eighth most educated in the nation.<sup>1</sup>

All of these factors – combined with great weather, a vibrant waterfront, lush hills, plentiful open space, beautiful neighborhoods, panoramic vistas, and abundant cultural amenities – make Oakland a highly desirable place to live, work and do business.

### *Economic Development*

The following represent some of the major projects recently completed, currently underway or in the final planning stages in the City of Oakland.

#### *Downtown Central District*

- The Fox Theater, which is a national historic landmark, is undergoing renovation into a 750- to 3000-seat live performance venue as well as the home for the Oakland School for the Arts. The Fox Oakland is the largest historic theater renovation in America today and has opened the Oakland School for the Arts in January 2008 and the Fox Theater by Spring 2009.
- The Uptown Housing Project Phase I will provide 665 rental apartments, of which 20 percent will be affordable housing for households earning less than 50 percent of the area's median income, 9,000 square feet of neighborhood-serving retail, and a 25,000 square foot public park. Phase II of the project will provide an additional 380 residential units and 20,000 square feet of retail space. Phase I of the project was completed with the grand opening in October of 2008.
- A new development has been proposed for Jack London Square that will feature 1.2 million square feet of mixed-use retail commercial, and office space, a 1,700 seat movie theater, a 250 room hotel, a supermarket, restaurants, and offices.
- Block T-12 of City Center was purchased by Shorenstein Properties LLC in December of 2007 and will be developed into a mixed-use facility offering 588,000 square feet of

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<sup>1</sup> 2000 U.S. Census.

office space and 9,500 square feet of retail space. Construction started in October of 2008.

### *Central City East Projects*

- Estuary Cove, a 1.1 acre site on Embarcadero Drive opened in 2007, includes a three-story 26,005 square foot building that houses new boat dealer, Starbucks, California Teachers Associations, Quiznos, and offices.
- Monte Vista Homes, where 545 residential units are currently under construction along with an already completed 6,000 square foot community center and 10,000 square feet of neighborhood-serving retail and commercial space.
- The Oak to Ninth Project is approximately 64 acres of waterfront property along the Oakland Estuary. The project includes up to 3,100 residential units including 465 affordable housing units, 200,000 square feet of ground-floor commercial space, a minimum of 3,950 parking spaces, approximately 32 acres of parks and public open space, two renovated marinas (total 170 boat slips), and an existing wetlands restoration area. The existing buildings on the site will be demolished with the exception of the Jack London Aquatic Center, a portion of the Ninth Avenue Terminal shed building, and a portion of the Ninth Avenue Terminal wharf structure. The project does not include approximately six acres of privately-held property along the east of Fifth Avenue that contain a mix of commercial and industrial uses, as well as a small community of work/live facilities. The project will be constructed in four phases over a seventeen year period.

### *Coliseum Area*

- Lion Creek Crossings, a new development that includes 442 units of affordable rental and 28 units for first time home buyers received \$34.5 million of HUD funding and is expected to be completed by December 2010. Three phases of the project totaling 370 units along with over four acres of the new Lion Creek Park have been completed in 2008.
- Coliseum Transit Village, which will be used as a mixed-use, sustainable transit oriented development, including 390 units of market rate and senior housing and 20,000-30,000 square feet of neighborhood retail space.
- Coliseum Towne Center, which is estimated to be completed in March of 2010 and will include 166,000 square feet of proposed retail shopping center.

### *Broadway/MacArthur/San Pablo*

- The Kaiser Hospital Master Plan includes construction of a new hospital building, parking structures, medical office, and administrative offices.

### *Oakland Army Base*

- Wood Street is approved for 1,557 units of housing and 13,000 square feet of retail. In 2008, three projects were completed, including: (1) Zephyr Gate a 130 unit condominium project under construction with 25 units completed in FY 2007-08; (2) Pacific Cannery Lofts a 163 unit condominium project under construction in FY 2007-08; and (3) 14<sup>th</sup> Street Apartments at Central Station a 99 unit affordable housing project.

### *Other Developments*

- Trader Joe's, a national specialty food retailer, opened two new locations in Oakland in 2007. The first, a 12,000 square-foot store on Lakeshore Avenue, opened in the Fall of 2007 and the second location, a 14,000 square-foot store, opened just one block north of the busy Rockridge BART station.
- Whole Foods, America's first national "certified organic" grocer, opened an Oakland location in the last quarter of 2007 in the Adams Point District. Modeled after a German food market and constructed within an historic trolley barn, Oakland's Whole Foods is considered one of the finest food emporiums in the Bay Area.

### 3. DEBT OBLIGATIONS

The City has never defaulted on the payment of principal or interest on any of its debt or lease obligations.

As of June 30, 2008, debt service reserve funds which secure City, OACCA and Redevelopment Agency bonds and lease financings satisfied their respective funding requirements. Neither the City, OACCA, nor the Redevelopment Agency has ever drawn on a reserve fund to satisfy debt service payment shortfalls.

#### ***General Obligation Debt***

As of June 30, 2008, the City had outstanding a total of \$224,995,000 aggregate principal amount of general obligation bonds. The bonds are general obligations of the City, approved by at least two-thirds of the voters. The City has the power and is obligated to levy *ad valorem* taxes upon all property within the City subject to taxation without limitation as to the rate or the amount (except certain property taxable at limited rates) for the payment of principal and interest on these bonds.

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**City of Oakland  
General Obligation Bonds  
As of June 30, 2008  
(in \$000's)**

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<u>Issue Name</u>	<u>Purpose</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
General Obligation Bonds, Series 2002A (Measure G)	Museum, Zoo and Chabot Space & Science Center	11/6/2002	2032	\$38,000	\$ 35,190
General Obligation Bonds, Series 2003A (Measure DD)	Lake Merritt	8/6/2003	2033	71,450	63,300
General Obligation Bonds, Series 2005 (City of Oakland Revenue Bonds) <sup>(1)</sup>	Refunded Measure I and K bonds which were used on various recreational and educational projects.	6/16/2005	2025	122,170	106,080
General Obligation Bonds (Series 2006, Measure G)	Museum and Zoo	6/28/2006	2036	21,000	<u>20,425</u>
Total					\$224,995

<sup>(1)</sup> The General Obligation Refunding Bonds were purchased with the proceeds of the Oakland Joint Powers Authority Revenue Bonds, Series 2005; \$106,533 of the Authority revenue bonds were outstanding as of June 30, 2008.

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All of the City's general obligation debt is authorized by voter approval of certain measures. The table below summarizes all of the voter-approved measures that have remaining authorizations for general obligation debt. The City has a total of \$126,800,000 remaining in unissued bond authorization under Measure DD. The bonds are to be issued for the improvement of Lake Merritt, the Estuary, inland creeks, Studio One, and other specifically identified projects in the City.

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**City of Oakland**  
**General Obligation Bond Remaining and Unissued Authorization**  
**As of June 30, 2008**  
**(in \$000's)**

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<u>Authorization</u>	<u>Date Passed</u>	<u>Use</u>	<u>Bond Authorization</u>	
			<u>Total</u>	<u>Remaining</u>
Measure DD	11/5/2002	Recreational and aquatic facilities	\$198,250	\$126,800
Total				\$126,800

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***Short-Term Obligations***

The City issues short-term notes to finance general fund temporary cash flow deficits during the fiscal year (July 1 through June 30). The following table shows a five-year history of the par amount of tax and revenue anticipation notes issued each year.

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**City of Oakland**  
**Tax and Revenue Anticipation Notes**  
**(in \$000's)**

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<u>Fiscal Year</u>	<u>Par Amount</u>
2004-05	65,000
2005-06	70,000
2006-07	75,000
2007-08	141,880 <sup>(1)</sup>
2008-09	105,705 <sup>(2)</sup>

<sup>(1)</sup> Consists of Series A tax-exempt notes in the amount of \$65,000 and Series B Taxable notes in the amount of \$76,880.

<sup>(2)</sup> Consists of Series A tax-exempt notes in the amount of \$70,000 and Series B Taxable notes in the amount of \$35,705.

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## Lease Obligations

The City has entered into various long-term lease arrangements that secure lease revenue bonds or certificates of participation, under which the City must make lease payments, payable by the City from its General Fund, to occupy public buildings or use equipment. The table below summarizes the City's outstanding long-term lease obligations.

<b>City of Oakland Lease Obligations As of June 30, 2008 (in \$000s)</b>					
<u>Issue Name</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>	<u>Leased Asset</u>
Civic Improvement Corporation Variable Rate Demand COPs, 1985	12/26/1985	2015	\$ 52,300	\$ 27,100	Portion of sewer system
Oakland – Alameda County Coliseum Authority Lease Revenue Bonds (Arena Project), Series 1996 Series A1 & A2 <sup>(1)</sup>	8/2/1996	2026 2026	35,000 35,000	28,700 28,700	Coliseum Arena
Oakland – Alameda County Coliseum Authority Lease Revenue Bonds, Series 2000 C-1, C-2, & D <sup>(1)</sup>	5/25/2000	2025 2025 2011	37,700 37,700 25,250	37,700 37,700 7,050	Coliseum Stadium
Oakland Joint Powers Financing Authority Lease Revenue Bonds, (Oakland Convention Center) Series 2001	5/15/2001	2014	134,890	81,930	Oakland Convention Center
City of Oakland Refunding Certificates of Participation, Series 2002	3/21/2002	2012	16,295	13,395	Oakland Museum
Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds, (Oakland Administration Buildings), 2008 Series B	5/1/2008	2026	113,450	113,450	Refund the Authority's Lease Revenue Refunding Bonds, 2004 Series A-1 (Auction Rate Securities) and A-2 (Auction Rate Securities)
Oakland Joint Powers Financing Authority Refunding Revenue Bonds, 2008 Series A-1 (Tax-Exempt) and A-2 (Taxable) <sup>(2)</sup>	4/16/2008	2017 2014	107,630 20,330	107,630 <u>20,330</u>	Portion of sewer system
<b>Total</b>				<b>\$503,685</b>	

<sup>(1)</sup> The lease payments securing these bonds are joint and several obligations of both the City and the County of Alameda. Each entity has covenanted to budget and appropriate one-half of the annual lease payments, and to take supplemental budget action if required to cure any deficiency. Principal amounts shown represent half of total original and outstanding par, representing the amount that is directly attributable to the City.

<sup>(2)</sup> Bonds are loosely tied to a swap

## Swaps

The City entered into a forward-starting, floating-to-fixed-rate swap with Goldman Sachs in conjunction with the \$187,500,000 Oakland Joint Powers Financing Authority, 1998 Series A-1/A-2. On June 21, 2005, all of the outstanding 1998 Lease Revenue Bonds were defeased by the Oakland Joint Powers Financing Authority Refunding Revenue Bonds, 2005 Series A-1, A-2 and B ("Series 2005 A&B Bonds). However, the Swap associated with the 1998 Lease Revenue Bonds still remains in effect and is set to terminate on July 31, 2021. As of June 30, 2008, the Swap had a notional amount of \$101,700,000.

For further discussion of the structure and risks associated with these swaps, please see the City's Comprehensive Annual Financial Report for the Year Ended June 30, 2008.

## ***Oakland-Alameda County Coliseum Authority Debt***

The City is a participant with the County of Alameda (the “County”) in a joint exercise of powers entity known as the Oakland-Alameda County Coliseum Authority (“OACCA”), which was formed on July 1, 1995, to assist the City and County in the financing of public capital improvements in the Oakland-Alameda County Coliseum Complex (the “Coliseum Complex”). The outstanding bonds issued by the OACCA are summarized above in the table “City of Oakland Lease Obligations”.

The bonds are limited obligations of the OACCA payable from revenues of the OACCA, consisting primarily of rental payments payable by the County and City to the OACCA, pursuant to two master leases (the “Master Leases”) among the OACCA, as lessor, and the County and the City, as lessees. The rental payments under the Master Leases are joint and several obligations of the County and the City, although both agencies have paid their 50% proportional share when due. The rental payments fluctuate depending upon the amount of OACCA revenues available to pay operating expenses and debt service.

The table below summarizes the City’s 50% portion of lease payments required to make the OACCA’s debt service payments.

<b>City’s Share of Annual OACCA Debt Service<sup>(1)</sup></b> <b>(In \$000’s)</b>			
Fiscal Year Ended June 30	1996 Series A-1 and A-2 Variable Rate (Arena Project)	2000 Series C-1, C-2, and D Variable Rate (Coliseum Project) <sup>(2)</sup>	Total
2004	1,917	3,603	5,520
2005	2,566	4,463	7,029
2006	3,783	5,796	9,579
2007	4,942	6,037	10,979
2008	5,538	4,286	9,824

<sup>(1)</sup> Amounts shown include only one-half of the annual lease obligations payable by the City and the County in connection with the above bonds, for which the City and County are jointly and severally liable.

<sup>(2)</sup> The OACCA anticipates a deficiency of operating revenues for repayment of its 2000 Series C and D Bonds, such that the City and County will have to contribute the total amount of base rental payments.

## ***Pension Obligation Bonds***

The City has issued two series of pension obligation bonds to fund a portion of the current balance of the City’s Unfunded Actuarial Accrued Liability (“UAAL”) for retirement benefits to members of the Oakland Police and Fire Retirement System (“PFRS”), a closed plan covering uniformed employees hired prior to July 1, 1976. The second series, issued in 2001, was part of a plan of finance undertaken by the City to extend the maturity of the 1997 pension obligation bonds and to reduce the annual debt service on the bonds and so minimize the need for the City to use general fund revenues other than voter-approved property tax override funds to pay such debt service on the 1997 and 2001 Bonds. The table below summarizes the two currently outstanding pension obligation bond issues.

**City of Oakland  
Pension Obligation Bonds  
As of June 30, 2008  
(in \$000s)**

<u>Issue Name</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
City of Oakland Taxable Pension Obligation Bonds, Series 1997, Sub-Series A	2/1/1997	2011	\$420,495	\$87,068
City of Oakland Taxable Pension Obligation Bonds, Series 2001	10/17/2001	2022	\$195,636	<u>195,636</u>
Total				\$282,704

For additional information on the City’s pension systems, please see section entitled “Retirement Programs.”

***Limited Obligations***

The City has incurred other obligations that are neither general obligations nor payable from the General Fund of the City. These obligations include redevelopment tax allocation bonds, sewer revenue bonds, and special assessment bonds. Information regarding these programs is contained in Sections 5, 6, and 7, below.

***Estimated Direct and Overlapping Debt***

Located within the City are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation bonds, lease revenue bonds, certificates of participation and special assessment bonds.

The table below is derived from information provided by California Municipal Statistics Inc. and sets forth the direct and overlapping debt within the City of Oakland as of June 30, 2008. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from this debt statement. The City has not independently verified the information provided in this chart.

CITY OF OAKLAND  
Statement of Direct and Overlapping Debt  
As of June 30, 2008

2007-08 Assessed Valuation: \$39,700,406,610  
 Redevelopment Incremental Valuation: 9,552,757,929  
 Adjusted Assessed Valuation: \$30,147,648,681

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u> <sup>(1)</sup>	<u>City's Share of Debt 6/30/08</u>
Bay Area Rapid Transit District	7.099%	\$ 33,175,047
East Bay Municipal Utility District, Special District No. 1	51.995	16,724,192
East Bay Regional Park District	10.313	15,412,263
Chabot-Las Positas Community College District	1.154	5,498,974
Peralta Community College District	54.783	198,144,633
Berkeley and Castro Valley Unified School Districts	0.004 & 0.126	122,477
Oakland Unified School District	99.997	563,973,080
San Leandro Unified School District	11.451	8,910,596
<b>City of Oakland</b>	<b>100.000</b>	<b>225,448,315</b>
City of Oakland 1915 Act Bonds	100.000	6,495,000
City of Emeryville 1915 Act Bonds	4.183	<u>429,385</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$1,074,333,962</b>

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County and Coliseum Authority General Fund Obligations	17.969%	\$ 82,601,337
Alameda County Pension Obligations	17.969	41,062,781
Alameda County Board of Education Public Facilities Corporation	17.969	44,923
Alameda-Contra Costa Transit District Certificates of Participation	21.582	2,913,570
Chabot-Las Positas Community College District General Fund Obligations	1.154	57,585
Peralta Community College District Pension Obligations	54.783	81,541,664
Oakland Unified School District Certificates of Participation	99.997	78,842,635
San Leandro Unified School District Certificates of Participation	11.451	176,918
Castro Valley Unified School District Certificates of Participation	0.126	1,027
<b>City of Oakland and Coliseum Authority General Fund Obligations</b>	<b>100.000</b>	<b>503,685,000</b>
<b>City of Oakland Pension Obligations</b>	<b>100.000</b>	<b><u>282,704,842</u></b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$1,073,632,282</b>

COMBINED TOTAL DEBT \$2,147,966,244<sup>(2)</sup>

Ratios to 2007-08 Assessed Valuation:  
**Direct Debt (\$255,448,315)** .....**0.57%**  
 Total Direct and Overlapping Tax and Assessment Debt .....2.71%

Ratios to Adjusted Assessed Valuation:  
**Combined Direct Debt (\$1,041,838,157)**.....**3.36%**  
 Combined Total Debt.....7.12%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08: \$32,601

<sup>(1)</sup> Percentage of overlapping agency's assessed valuation located within boundaries of the city.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc., City of Oakland

#### 4. INFORMATION REGARDING THE CITY OF OAKLAND

##### *Assessed Valuations in the City of Oakland*

The table below summarizes the City's assessed valuations for fiscal years ending 2005 to 2009.

VALUATIONS <sup>(1)</sup> (In \$000's)						
Fiscal Year Ending June 30	Local Secured	Utility	Unsecured	Gross	Less Tax Increment <sup>(2)</sup>	Total Net Assessed Valuation
2005	26,812,360	79,048	2,750,645	29,642,053	5,186,440	24,455,613
2006	29,648,879	77,961	2,884,779	32,611,619	6,348,493	26,263,126
2007	33,286,723	69,846	2,842,520	36,199,089	7,750,010	28,449,079
2008	36,650,673	38,365	3,011,367	39,700,405	9,552,757	30,147,648
2009	38,482,952	36,778	3,138,031	41,657,761	10,425,137	31,232,624

<sup>(1)</sup> Net of exemptions other than homeowners exemptions. Valuations are determined as of January 1 preceding the respective fiscal year.

<sup>(2)</sup> Tax increments are allocations made to the Redevelopment Agency under authority of the State of California Constitution, Article XVI.

Source: County of Alameda, Office of the Auditor-Controller

##### *Secured Tax Charges and Delinquencies in the City of Oakland*

The table below summarizes the City's secured tax charges and the amounts and percentages delinquent for the fiscal years ending 2003 to 2008.

SECURED TAXES (In \$000's)			
Fiscal Year Ending June 30	Secured Tax Charge <sup>(1)</sup>	Amount Delinquent	Percentage Delinquent
2003	132,331	7,359	5.56
2004	151,546	7,350	4.85
2005	163,102	7,673	4.70
2006	181,047	8,330	4.60
2007	199,829	12,748	6.38
2008	210,748	16,678	7.91

<sup>(1)</sup> All taxes collected by the County within the City.

Source: County of Alameda, Office of the Auditor-Controller.

## Principal Property Taxpayers

A summary of the City's Fiscal Year 2008-2009 largest secured taxpayers is presented below.

### LARGEST TAXPAYERS FOR FISCAL YEAR 2008-2009

<u>Property Taxpayer</u>	<u>Primary Land Use</u>	<u>FY 2008-2009 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation <sup>(1)</sup></u>
OCC Venture LLC	Office Building	\$199,325,379	0.52%
Kaiser Foundation Health Plan Inc.	Office Building	182,009,572	0.47
SIC Lakeside Drive LLC	Office Building	176,727,558	0.46
Oakland Property LLC	Office Building	162,302,400	0.42
1800 Harrison Foundation	Office Building	119,541,603	0.31
Suncal Oak Knoll LLC	Residential	106,698,599	0.28
Brandywine Ordway LLC	Office Building	106,120,799	0.28
Brandywine Webster LP	Office Building	104,244,589	0.27
Clorox Company	Office Building	96,306,031	0.25
555 Twelfth Street Venture LLC	Office Building	92,878,784	0.24
Uptown Housing Partners LP	Apartments	83,606,000	0.22
KSL Claremont Resort Inc.	Hotel/Resort	74,643,153	0.19
Owens Brockway Glass Container Inc.	Industrial	65,665,074	0.17
WM Allegro LLC	Apartments	62,100,390	0.16
Legacy Landing LLC	Apartments	57,765,035	0.15
Brandywine Operating Partnership	Office Building	56,100,000	0.15
Catellus Development Corporation	Industrial	52,255,450	0.14
Brandywine 1901 Harrison LLC	Office Building	52,020,000	0.14
Essex Portfolio LP	Apartments	49,590,000	0.13
Zhone Technologies Campus LLC	Office Building	<u>46,928,928</u>	<u>0.12</u>
Total		\$1,946,829,344	5.06%

<sup>(1)</sup> Based on the Assessed Value of \$38,492,952,555

Source: California Municipal Statistics, Inc.

## Population Data

The Demographic Research Unit of the California Department of Finance estimated the City's population on January 1, 2008, at 420,183. This figure represents 27.23% of the corresponding County figure and 1.10% of the corresponding State figure. The City's population has grown over 23.8% since 1980. The following table illustrates the City's population as well as the population of Alameda County and the State of California.

### POPULATION

<u>Year</u>	<u>City of Oakland</u>	<u>County of Alameda</u>	<u>State of California</u>
1980	339,337	1,105,379	23,667,902
1990	371,100	1,276,702	19,473,000
2000	402,100	1,454,300	34,336,000
2006	411,755	1,510,303	37,172,015
2007	415,516	1,522,597	37,559,440
2008	420,183	1,543,000	38,049,462

Source: California State Department of Finance (estimates as of January 1).

## *Labor Force, Employment and Unemployment Statistics*

The following table describes labor force, employment and unemployment annual average statistics for the City, the State and the United States as of June 30, 2003, through June 30, 2008.

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### LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

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<u>Year</u>	<u>Area</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2003	<b>Oakland</b>	<b>200,650</b>	<b>177,930</b>	<b>22,720</b>	<b>11.3</b>
	California	17,486,600	16,288,600	1,198,000	6.9
	United States	148,117,000	138,468,000	9,649,000	6.5
2004	<b>Oakland</b>	<b>199,070</b>	<b>180,220</b>	<b>18,850</b>	<b>9.5</b>
	California	17,683,300	16,555,400	1,127,900	6.4
	United States	148,477,000	139,861,000	8,616,000	5.8
2005	<b>Oakland</b>	<b>200,100</b>	<b>184,300</b>	<b>15,800</b>	<b>7.9</b>
	California	17,811,200	16,845,200	965,900	5.4
	United States	149,123,000	141,638,000	7,486,000	5.0
2006	<b>Oakland</b>	<b>194,600</b>	<b>180,300</b>	<b>14,300</b>	<b>7.4</b>
	California	17,669,200	16,712,800	956,400	5.4
	United States	151,321,000	144,363,000	6,957,000	4.60
2007	<b>Oakland</b>	<b>195,700</b>	<b>181,300</b>	<b>14,400</b>	<b>7.4</b>
	California	18,216,300	17,268,500	947,800	5.2
	United States	153,072,000	146,140,000	6,933,000	4.5
2008	<b>Oakland</b>	<b>197,100</b>	<b>181,108</b>	<b>15,992</b>	<b>8.1</b>
	California	18,308,792	17,210,600	1,098,192	6.0
	United States	154,477,000	143,338,000	11,108,000	7.2

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Note: United States figures are as of December of each year.

Source: California State Employment Development Department and U.S. Department of Labor, Bureau of Labor Statistics.

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## General Fund Revenues and Expenditures

The following table describes revenues and expenditures for the General Fund Group for five fiscal years. The City's fiscal year ends June 30.

<b>GENERAL FUND GROUP</b>					
<b>June 30, 2004 - 2008</b>					
Fiscal Year Ending June 30:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues ( \$000's)</b>					
Taxes					
Property	\$109,927	\$143,436	\$151,754	\$170,105	\$201,765
State <sup>(1)</sup>	54,642	51,307	47,859	48,958	54,901
Local <sup>(2)</sup>	179,192	200,488	204,354	197,475	175,986
Licenses and Permits	13,453	15,652	18,975	1,066	1,612
Fines and Penalties	26,817	24,632	23,888	24,727	21,653
Interest Income	(5,100)	20,845	3,808	7,007	10,885
Revenue from Current Services	56,883	66,375	66,849	55,837	55,048
Grant Revenue	2,147	591	3,587	7,051	5,935
Other Revenue, incl. Transfers	23,276	21,896	17,075	15,116	11,441
Annuity Income	-	-	-	9,324	2,495
<b>Total Revenues</b>	<b>\$461,237</b>	<b>\$545,222</b>	<b>\$538,149</b>	<b>\$536,666</b>	<b>\$541,721</b>
<b>Expenditures ( \$000's)</b>					
General Government <sup>(3)</sup>	\$51,673	\$53,433	\$62,458	\$69,902	\$78,355
Public Safety <sup>(4)</sup>	247,630	262,081	280,448	296,390	309,960
Public Works	27,475	28,909	32,621	33,595	32,499
Life Enrichment <sup>(5)</sup>	41,359	37,581	37,930	40,015	41,619
Economic and Community Development	20,152	18,902	20,592	2,780	8,161
Other <sup>(6)</sup>	24,902	31,237	17,565	25,601	17,903
<b>Total Expenditures</b>	<b>\$413,191</b>	<b>\$432,143</b>	<b>\$451,614</b>	<b>\$468,283</b>	<b>\$488,497</b>
<b>Other Financing Sources and Uses</b>	<b>(67,856)</b>	<b>(54,550)</b>	<b>(91,853)</b>	<b>(72,995)</b>	<b>(87,447)</b>
<b>Net Change in Fund Balances</b>	<b>(19,810)</b>	<b>58,529</b>	<b>(5,318)</b>	<b>(4,612)</b>	<b>(34,223)</b>
<sup>(1)</sup> Includes Sales and Use, Motor Vehicle in-lieu. <sup>(2)</sup> Includes Business License, Utility Consumption, Real Estate Transfer, Transient Occupancy, Parking, Voter Approved Special Tax, and Franchise. <sup>(3)</sup> Includes elected and appointed officials, general governmental agencies and administrative services. <sup>(4)</sup> Includes police and fire services. <sup>(5)</sup> Includes Parks and Recreation, Library, Cultural Arts and Museum, and Aging and Health and Human Services. <sup>(6)</sup> Includes capital outlays and debt service; does not include rent payable on lease obligations.					

Source: City of Oakland, Comprehensive Annual Financial Report for fiscal years ending June 30, 2004 through June 30, 2008.

## Labor Relations

City employees are represented by eight labor unions and associations (identified in the table below), the largest one being the Service Employees International Union (Local 1021) Full-Time, which represents approximately 57% of all City employees. Approximately 95% of all City employees are covered by negotiated agreements, as detailed below. Memoranda of Understanding ("MOUs") between the City of Oakland and non-sworn employed organizations and firefighters expired June 30, 2008. The City and the respective unions are currently in full-contract negotiations, except for the MOUs covering sworn Police Officers.

The City has never experienced an employee work stoppage. Pursuant to the Meyers-Milas-Brown Act (California Government Code Section 3500 et seq.), the City continues to meet and confer with all of the exclusive bargaining representatives of the City employees.

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**CITY OF OAKLAND LABOR RELATIONS**

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<u>Employee Organization/Bargaining Unit</u> <sup>(1)</sup>	<u>Number of Employees</u>	<u>Contract Termination</u>
International Association of Firefighters, Local 55	466	June 30, 2008 <sup>(2)</sup>
International Brotherhood of Electrical Workers, Local 1245	24	June 30, 2008 <sup>(2)</sup>
International Federation of Professional and Technical Engineers (IFPTE), Local 21 Units TA1, TF1, TM2, TW1, and TF1	495	June 30, 2008 <sup>(2)</sup>
IFPTE, Local 21 Units UH1 (Supervisors), UM1 and UM2 (Managers)	385	June 30, 2008 <sup>(2)</sup>
IFPTE, Local 21 (Deputy City Attorney IVs)	27	June 30, 2008 <sup>(2)</sup>
Service Employees International Union (SEIU), Local 790/ full-time	1,414	June 30, 2008 <sup>(2)</sup>
SEIU, Local 790/ part-time	1,254	June 30, 2008 <sup>(2)</sup>
Deputy Attorney V & Special Counsel Association	9	June 30, 2008 <sup>(2)</sup>
Oakland Park Rangers Association	7	June 30, 2010
Oakland Police Officers Association	<u>718</u>	June 30, 2010
	4,799	

(1) The City negotiated the following cost of living adjustments with employee organizations: Locals 55, 1245, 21, 790, Oakland Park Rangers Association and Deputy City Attorney and Special Counsel Association received a four percent (4%) increase on 7/1/07.

(2) Currently under negotiation.

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Source: City of Oakland, Office of Personnel and Resource Management

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### ***Retirement Programs***

The City has three defined benefit retirement plans: the Police and Fire Retirement System (PFRS), the Oakland Municipal Employees' Retirement System (OMERS), and California Public Employees' Retirement System (PERS). The following summarizes the three systems, which are described further in the City's Comprehensive Annual Financial Report.

*Police and Fire Retirement System.* The Police and Fire Retirement System ("PFRS") is a closed plan covering uniformed employees hired prior to July 1976. As of June 30, 2008, PFRS covered three current employees and 1,238 retired employees. The City issued pension obligation bonds in February 1997 to fund PFRS through 2011. As a result, no employer contributions are required through fiscal year 2011. A portion of the 1997 pension obligations were refunded in 2001. The City pays debt service on the pension obligation bonds from proceeds of an ad valorem property tax override. As of July 1, 2007, PFRS was 63.7% funded, with an unfunded actuarially accrued liability of \$332.1 million.

*Oakland Municipal Employees Retirement System.* The Oakland Municipal Employees Retirement System ("OMERS") is a closed plan administered by the City, and covers 61 retired employees. On June 20, 2004, the last active OMERS member transferred to PERS. For the fiscal year ended June 30, 2007, the City, in accordance with actuarially determined contribution requirements, did not make contributions to OMERS as the plan is fully funded.

*California Public Employees Retirement System.* PERS is a defined benefit plan administered by the State and covers all uniformed employees hired after June 30, 1976 and all non-uniformed employees hired after September 1, 1970, as well as former members of PFRS and OMERS

except those who have not elected to transfer from OMERS. PERS acts as a common investment and administrative agent for public entities participating with the state of California. PERS is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. A menu of benefit provisions is established by State statutes within the Public Employees' Retirement Law. The City selects its optional benefit provisions from the benefit menu by contract with PERS.

In Fiscal Year 2004 the City increased its benefits for police to provide 3.0% of highest salary at age 50. In Fiscal Year 2005, the City increased its benefits for miscellaneous employees, increasing retirement benefits to 2.7% of highest salary per year of employment at age 55. In Fiscal Year 2005, the City increased its benefits for fire safety members to provide 3.0% of highest salary at age 50.

For 2007-08, the City's contribution to PERS was \$97,863,350. The City's unfunded liability with PERS, as of June 30, 2007, was \$231.8 million for the public safety (police and fire) retirement plan, resulting in a 76.6% funded status, and \$263.8 million for the miscellaneous retirement plan, resulting in a 83.7% funded status.

*Other Post-Employment Benefits.* The City has three programs in place to pay the partial costs of health insurance premiums for certain classes of retirees from City employment. Retirees meeting certain requirements relating to age and years of service are eligible for health benefits. The health benefits are extended to retirees pursuant to labor agreements between the City and certain of its employee labor unions and in resolutions of the City. Approximately \$10,966,605 was paid on behalf of retirees under these programs for the year ended June 30, 2008.

The City implemented GASB 45 in FY 2007-2008 and elected to report a zero net OPEB obligation. As of June 30, 2008, the City's annual required contribution (ARC) for post employment benefits was \$54,635,000. The City paid approximately \$10,966,605 million on a pay-as-you-go basis for retirees in a City-sponsored PERS health benefit plan. The net OPEB obligation for the fiscal year ended June 30, 2008 was \$43,668,000.

### ***City Operating Fund Investment Policy***

The City Treasurer invests the City's operating funds according to the Investment Policy adopted by the City Council. The objectives of the Policy are preservation of capital, liquidity, diversity, and yield. The Policy addresses the soundness of financial institutions in which the City may deposit funds, types of investment instruments permitted by the City and the California Government Code, investment duration and the amount which may be invested in certain instruments. The Investment Policy also reflects certain ordinances and resolutions of the City further restricting investments, including the Nuclear Free Ordinance and the Tobacco Divestiture Resolution. The City of Oakland's Investment Policy was last amended on May 29, 2008, for Fiscal Year 2008-2009. Bond proceeds held by Trustees and Fiscal Agents are exempt from the guidelines set forth in the City's Operating Fund Investment Policy.

Summarized below are the permitted investments under the Policy.

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**SUMMARY OF INVESTMENT POLICY**

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<u>Permitted Investment Types</u>	<u>Maximum Investment</u>	<u>Maximum Maturity</u>
U.S. Treasury Bills, Notes & Bonds <sup>(1)</sup>	20%	5 years
Federal Agencies	None	5 years
Bankers Acceptance	40%	180 days
Commercial Paper	25%	270 days
Asset-Backed Commercial Paper	25%	270 days
Medium Term Notes	30%	5 years
Negotiable CDs	30%	5 years
Repurchase Agreements	None	360 days
Reverse Repurchase Agreements <sup>(2)</sup>	20%	92 days
Money Market Mutual Funds	20%	N/A
Certificates of Deposit <sup>(3)</sup>	\$100,000	360 days
Local Agency Investment Fund	\$40 million	N/A
Local City / Agency Bonds	None	5 years
State of California, or any other of the United States		
Registered State Bonds, Treasury Notes or Warrants	None	5 years
Other Local Agency Bonds	Prudent Person Standard Applies	5 years
Secured Obligations and Agreements	20%	2 years

<sup>(1)</sup> Investment in US Treasury securities requires approval of the City Council under the Nuclear-Free Ordinance. In October 2008, the City Council passed Resolution No. 81629 that permitted the City to invest in U.S. Treasuries for a period of 60 days.

<sup>(2)</sup> The sum of reverse purchase agreements and securities lending agreements should not exceed 20% of the portfolio.

<sup>(3)</sup> For deposits over \$100,000, the Certificate of Deposit must be collateralized.

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### ***Insurance and Risk Management***

The City is insured up to \$25,000,000 after a \$2,000,000 per occurrence self-insured retention for the risks of general liability, malpractice liability, and auto liability. All properties are insured against damage from fire and other forced perils at full replacement value after a \$10,000 deductible to be paid by the City. The City does not insure for damage from earthquakes and floods. The City is also insured up to \$100,000,000 after a \$750,000 per occurrence self-insured retention for workers' compensation losses. As of June 30, 2008, the amount of all self-insured general liability exposure is valued at approximately \$50,242,266. Of this amount, approximately \$6,395,226 is estimated to be due within one year. Payment of Workers' Compensation claims is provided through annual appropriations. As of June 30, 2008, the amount of Workers' Compensation liability determined to be probable is approximately \$80,382,255. Of this amount, \$18,094,388 is estimated to be due within one year.

## **5. INFORMATION REGARDING THE OAKLAND REDEVELOPMENT AGENCY**

### ***Redevelopment Agency of the City of Oakland***

The City's Redevelopment Agency has issued several series of tax allocation bonds to provide funding for blight alleviation and economic development in parts of the City, or for the construction of low-income housing. The bonds are payable from the tax increment received from the specific redevelopment project areas which they support. Tax allocation bonds have been issued for the Acorn Redevelopment Project Area, the Central District Redevelopment Project Area, the Coliseum Area Redevelopment Project Area, the Central City East Redevelopment Project Area and the Broadway/MacArthur/San Pablo Redevelopment Project Area. In addition, bonds have been issued that are secured by dedicated housing set-aside revenues from all the City's redevelopment project areas.

## Outstanding Redevelopment Agency Debt

The tables below summarize the Redevelopment Agency's outstanding tax allocation debt and other financings, including the final maturity date, original par amounts and amounts outstanding. All information below is presented as of June 30, 2008.

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**TAX ALLOCATION BONDS**  
(In \$000's)  
As of June 30, 2008

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**Central District Redevelopment Project Area**

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<u>Issue Name</u>	<u>Dated</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
Central District Redevelopment Project Senior Tax Allocation Refunding Bonds, Series 1992	11/15/1992	2014	\$97,655	\$35,910
Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2003	1/9/2003	2019	120,605	104,020
Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2005	2/8/2005	2022	44,360	44,360
Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2006T	11/21/2006	2022	<u>33,135</u>	<u>30,435</u>
Total Central Business District			\$295,755	\$214,725

**Broadway/MacArthur/San Pablo Redevelopment Project Area**

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<u>Issue Name</u>	<u>Dated</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
Broadway/MacArthur/San Pablo Redevelopment Project Tax Allocation Bonds Series 2006C-TE and 2006C-T	10/12/2006	2036	17,270	16,930

**Central City East Redevelopment Project Area**

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<u>Issue Name</u>	<u>Dated</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
Central City East Redevelopment Project Tax Allocation Bonds, Series 2006A-TE and 2006A-T	10/12/2006	2036	76,300	74,790

**Coliseum Area Redevelopment Project Area**

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<u>Issue Name</u>	<u>Dated</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
Coliseum Area Redevelopment Project Tax Allocation Bonds, Series 2006B-TE and 2006B-T <sup>(1)</sup>	10/12/2006	2036	102,590	100,500

**City-wide Housing**

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<u>Issue Name</u>	<u>Issuance Date</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
Subordinated Housing Set-Aside Revenue Bonds, Series 2000T	5/16/00	2018	\$39,395	\$6,205 <sup>(2)</sup>
Subordinated Housing Set-Aside Revenue Bonds, Series 2006A and 2006A-T	4/4/06	2036	\$84,840	\$83,260 <sup>(2)</sup>

<sup>(1)</sup> The Series 2006B bonds issued by the Agency in October 2006 defeased in their entirety the Series 2003 Coliseum bonds, leaving no Series 2003 Coliseum bonds outstanding as of June 30, 2008.

<sup>(2)</sup> The Series 2006A and A-T bonds issued by the Agency in April 2006 partially defeased the Series 2000T bonds in the amount of \$25,485,000, leaving \$6,205,000 Series 2000T bonds outstanding as of June 30, 2008

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**TAX ALLOCATION BONDS**  
(In \$000's)  
As of June 30, 2008

<u>Issue Name</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
General Obligation, Series 1998 (Tribune Towers Restoration) <sup>(1)</sup>	2011	\$600	\$220

<sup>(1)</sup> The Agency issued these bonds solely to the County of Alameda. Repayment is secured by a pledge of legally available funds of the Agency.

The Agency has never defaulted on any of its indebtedness and has paid the interest and principal payments on its outstanding indebtedness as scheduled.

***The Central District Redevelopment Project Area***

This Project Area encompasses approximately 828 acres, covering approximately 300 City blocks, including the entire Central Business District. The Project Area is the economic and transportation hub of the East Bay portion of the San Francisco Oakland Metropolitan Area. It contains nearly 27 major office buildings of over 100,000 square feet each, with approximately 10.5 million total square feet of rentable class A and B office space, and over 160 office buildings with a total of 16.9 million square feet of office space.

Within the Project Area are four major redevelopment action areas. The City Center action area includes office and government buildings and has recently become an area of residential condominium development, with the Landmark Place. The Chinatown action area is a mixed-use neighborhood serving the needs of several Asian communities, including the Courtyard by Marriott Hotel and the Franklin 88 mixed-use condominium project. The Old Oakland action area surrounds a group of eleven rehabilitated/restored mid-to-late nineteenth century Victorian commercial structures and includes the renovated historic Swan's Market.

The Uptown action area is the location of the Uptown Project, being developed by Forest City, Inc. The Uptown Project includes: (1) 665 rental units, of which 20% (135 units) are affordable at 50% of the Area Median Income ("AMI") and 5% are affordable at 120% AMI, which was completed in 2008; (2) a 25,000 square foot public park which was completed in 2008; and (3) 270 condominium units which are proposed for the future.

Other projects in the area Uptown area include: (1) Center Twenty One (195,000 sf office and 20,000 sf retail), completed in late 2007; (2) Fox Court (80 rental units affordable at 25% to 60% of AMI), and (2) Fox Theater (2,500 seat theater, facilities for Oakland School for the Arts and retail space along Telegraph Avenue), which are both under construction and will be completed in 2009; (4) the City Administration Complex, (5) the Rotunda Building, (6) the Thomas Berkley Sq Building (119,000 square foot County facility ) and (7) the adjoining Thomas Berkley Sq Condominiums (88 units) which is also under construction. These four redevelopment action areas surround the 48,000 square foot Oakland Convention Center-Marriott City Center Hotel Complex, which was developed with Agency financial assistance. The surrounding areas of the Central District also contain additional housing projects developed under the 10K, including 25

projects with 2,168 units completed since 1999 and 11 projects with 791 units under construction.

The table below summarizes the limits of the Central District Redevelopment Plan (the “Plan”) for the Project Area, including the amendment area added by the amendment to the plan adopted on July 24, 2001. On December 21, 2004, the Agency Board extended the time limits of the Plan and the receipt of tax increment revenue from the Project Area by an additional two years, thereby extending the Plan to June 12, 2012 and the receipt of tax increment revenues to June 12, 2022.

**Redevelopment Agency of the City of Oakland  
Central District Project Area  
Summary Plan Limits<sup>(1)</sup>**

	Original Project Area	2001 Amendment Area	Total
Adoption Date	June 12, 1969	July 24, 2001	
Time Limit for Debt Issuance	None	July 24, 2021	
Time Limit for Plan Activities	June 12, 2012	July 24, 2032	
Time Limit for Receipt of Tax Increment	June 12, 2022	July 24, 2047	
Maximum Tax Increment Collections	\$1.348 billion	N/A	\$1.348 billion
Acreage	813.50	14.86	828.36

<sup>(1)</sup> Does not set forth limitations with respect to the 1982 Amendment Area, which increased the Project Area by approximately 55 acres. The 1982 Amendment Area was initially exclusively government-owned, and thus generated no tax increment. Since then, two parcels have been conveyed to private owners, and in Fiscal Year 2003-04 they generated approximately \$400,000 in tax increment. Total tax increment collected from the 1982 Amendment Area cannot exceed \$75 million.

**Tax Increment Revenues and Debt Service Coverage**

The tables below summarize assessed valuations, tax increment receipts and debt service coverage ratios for the Agency’s Central Business District Project Area.

**CENTRAL DISTRICT PROJECT AREA  
TAX INCREMENT DEBT SERVICE COVERAGE  
(in \$000’s)**

Fiscal Year Ending June 30:	2004	2005	2006	2007	2008
Gross Assessed Valuation	\$3,089,814	\$3,254,097	\$3,582,946	\$4,337,132	4,613,117
Less: Exemptions	(254,663)	(251,696)	(275,915)	(366,460)	(318,782)
Net Assessed Valuation	2,835,151	3,002,400	3,307,031	3,970,672	4,294,335
Less: Base Year Assessed Valuation	(275,241)	(291,021)	(291,021)	(291,021)	(291,021)
Total Incremental Assessed Valuation	2,559,910	2,711,379	3,016,009	3,679,650	4,003,314
<b>AGGREGATE TAX INCREMENT RECEIPTS</b>	<b>\$33,410</b>	<b>\$35,905</b>	<b>\$40,053</b>	<b>\$43,282</b>	<b>48,830</b>
Less: Housing Set Aside Requirements	(6,682)	(7,181)	(8,011)	(8,656)	(9,766)
<b>NET TAX INCREMENT REVENUES</b>	<b>\$26,728</b>	<b>\$28,724</b>	<b>\$32,042</b>	<b>\$34,625</b>	<b>39,064</b>
Total Senior Lien Debt Service <sup>(1)</sup>	8,098	8,120	8,112	8,123	8,160
Senior Lien Debt Service Coverage	3.30x	3.54x	3.95x	4.26x	4.79x
Total Subordinated Lien Debt Service	10,953	8,916	10,982	11,468	15,364
Subordinated Lien Debt Service Coverage	1.70x	2.31x	2.18x	2.31x	2.01x

<sup>(1)</sup> Senior lien debt service is senior to housing set-aside requirements. Coverage shown is based on Aggregate Tax Increment Receipts.

Sources: Alameda County Auditor-Controller and the City of Oakland, Treasury Division

## Project Area Taxable Values, Largest Taxpayers and Tax Revenues Received

The table below presents the taxable value of all property within the Central District Project Area for fiscal years ended June 30, 2005 through June 30, 2009.

Redevelopment Agency of the City of Oakland Central District Project Area Property Taxable Values (\$ in 000s)					
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<u>Gross Assessed Value</u>					
County Secured Roll	\$2,909,415,672	\$3,228,165,752	\$3,546,594,124	\$4,004,063,123	4,270,892,725
County Unsecured Roll	<u>309,064,923</u>	<u>354,780,042</u>	<u>341,795,015</u>	<u>333,068,814</u>	<u>342,224,032</u>
Total Gross Assessed Values	\$3,218,480,595	\$3,582,945,794	\$3,888,389,139	\$4,337,131,937	4,613,116,757
<u>Less Exemptions</u>					
County Secured Roll	(\$239,886,273)	(\$262,466,469)	(\$313,144,912)	(\$357,124,398)	307,752,849
County Unsecured Roll	<u>(11,769,795)</u>	<u>(13,448,722)</u>	<u>(3,998,748)</u>	<u>(9,335,981)</u>	<u>11,029,036</u>
Total Exemptions	(\$251,656,068)	(\$275,915,191)	(\$317,143,660)	(\$366,460,379)	318,781,885
<u>Net Assessed Values</u>					
County Secured Roll	\$2,669,529,399	\$2,965,699,283	\$3,233,449,212	\$3,646,938,725	4,578,645,574
County Unsecured Roll	<u>297,295,128</u>	<u>341,331,320</u>	<u>337,796,267</u>	<u>323,732,833</u>	<u>353,253,068</u>
Total Net Assessed Values	\$2,966,824,527	\$3,307,030,603	\$3,571,245,479	\$3,970,671,558	4,931,898,642
<u>Base Year Values (1968-98 &amp; 2000 -01)</u>					
Secured	\$214,110,703	(\$228,537,163)	(\$228,537,163)	(\$228,537,163)	(228,537,163)
Unsecured	<u>61,129,825</u>	<u>(62,484,067)</u>	<u>(62,484,067)</u>	<u>(62,484,067)</u>	<u>(62,484,067)</u>
Total Base Year Values	\$275,240,528	(\$291,021,230)	(\$291,021,230)	(\$291,021,230)	(291,021,230)
<u>Increase Over Base-Year Values</u>					
Secured	\$2,455,418,696	\$2,737,162,120	\$3,004,912,049	\$3,418,401,562	4,350,108,411
Unsecured	<u>236,165,303</u>	<u>278,847,253</u>	<u>275,312,200</u>	<u>261,248,766</u>	<u>290,769,001</u>
Total Increase in Values	\$2,691,583,999	\$3,016,009,373	\$3,280,224,249	\$3,679,650,328	4,640,877,412

Source: Alameda County Auditor-Controller

The table below summarizes the largest secured taxpayers in the Central District Project Area for Fiscal Year 2008-09.

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**TOP TEN PROPERTY TAXPAYERS IN THE CENTRAL DISTRICT PROJECT AREA**

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<u>Property Taxpayer</u>	<u>Land Use</u>	<u>FY 2008-09 Secured Assessed Valuation</u>	<u>Percentage of Total Valuation <sup>(1)</sup></u>
Brandywine Ordway LLC	Commercial Office Building	\$210,365,388	5.31%
OCC Venture LLC	Non-Contiguous Commercial Office Buildings	199,325,379	5.03%
Kaiser Foundation Health Plan Inc.	Foundation Administrative Offices/Parking	151,678,264	3.83%
1800 Harrison Foundation	Non-Contiguous Commercial Office Buildings	119,541,603	3.02%
Clorox Company	Commercial Office Building	96,306,031	2.43%
555 Twelfth Street Venture LLC	Commercial Office Building	92,878,784	2.34%
Uptown Housing Partners LP	Residential Properties	83,606,000	2.11%
WM Allegro LLC	Residential Properties	62,100,390	1.57%
Brandywine Operating Partnership	Commercial Office Building	56,100,000	1.42%
PPD 222 Broadway I LLC	Commercial Office Building	<u>51,487,118</u>	<u>1.30%</u>
Cumulative Sub-Total		\$1,123,388,957	28.35%

<sup>(1)</sup> Central District 2007-08 Secured Assessed Valuation: \$3,963,139,876

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Source: California Municipal Statistics, Inc.

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The table below reflects the historical Tax Revenues received by the Central District Project Area based on fiscal years ending June 30, 2004, through June 30, 2008.

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**REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND  
CENTRAL DISTRICT PROJECT AREA  
TAX REVENUES RECEIVED**

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	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Tax Revenues	\$30,915,736	\$33,511,136	\$37,846,550	\$41,153,545	\$45,431,499
State Unitary Tax	<u>\$2,414,800</u>	<u>\$3,225,070</u>	<u>\$2,206,520</u>	<u>\$2,127,996</u>	<u>\$3,398,489</u>
Sub-Total	\$33,330,536	\$36,736,206	\$40,053,070	\$43,281,541	\$48,829,988
Less: County Tax Administration Fees	(305,966)	(371,194)	(349,763)	(309,561)	(308,631)
Less: Housing Set-Aside (20%)	<u>(6,666,107)</u>	<u>(7,347,241)</u>	<u>(8,010,614)</u>	<u>(8,656,308)</u>	<u>(9,765,998)</u>
Total Aggregate Tax Revenues Receipts	\$26,358,463	\$29,017,770	\$31,692,693	\$34,315,672	\$38,755,359

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Source: Alameda County Auditor-Controller

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### ***The Broadway/MacArthur/San Pablo Redevelopment Project Area***

This Project Area, formed in 2000, encompasses 676 acres and is comprised of two distinct areas in northern Oakland. The Broadway/MacArthur sub-area incorporates Broadway’s Auto Row district and Telegraph Avenue between 27<sup>th</sup> and 42<sup>nd</sup> Streets. The San Pablo sub-area incorporates the Golden Gate neighborhood along San Pablo Avenue from 53<sup>rd</sup> to 67<sup>th</sup> Street.

Key elements of the redevelopment plan for the Project Area include in-fill development on underutilized properties, infrastructure upgrades, and support for catalyst projects, including the MacArthur Transit Village Project, which will provide 30,000 square feet of commercial space and up to 800 residential units, 20% of which will be below-market rentals.

The Project Area Committee, which provides guidance for redevelopment activities in this project area, has prioritized several key projects and activities in its five-year implementation plan, including the MacArthur Transit Village Project, Commercial Façade and Tenant Improvement Programs, in-fill development within the Project Area, upgrades to public facilities, and streetscape improvements on Telegraph Avenue, Broadway, 40<sup>th</sup> Street, West MacArthur Boulevard and San Pablo Avenue.

The table below summarizes the limits of the Broadway/MacArthur/San Pablo Redevelopment Plan (the “Plan”) for the Project Area.

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<b>Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Project Area Summary Plan Limits</b>				
<u>Plan Expiration Date</u> July 25, 2030	<u>Last Date to Incur Debt</u> July 25, 2020	<u>Last Date to Repay Debt with Tax Increment</u> July 25, 2045	<u>Outstanding Debt Limit</u> \$100 million	<u>Tax Increment Limit</u> None

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## Project Area Taxable Values, Largest Taxpayers and Tax Revenues Received

The table below presents the taxable value of all property within the Broadway/MacArthur/San Pablo Project Area for fiscal years ended June 30, 2005 through June 30, 2009.

<b>Redevelopment Agency of the City of Oakland                      Broadway/MacArthur/San Pablo Project Area                      Property Taxable Values                      (\$ in 000s)</b>					
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b><u>Gross Assessed Value</u></b>					
County Secured Roll	\$824,696,346	\$879,905,658	\$966,372,191	\$1,093,531,778	\$1,189,744,760
County Unsecured Roll	<u>54,663,347</u>	<u>38,814,591</u>	<u>47,237,877</u>	<u>47,075,224</u>	<u>50,412,977</u>
Total Gross Assessed Values	\$879,359,693	\$918,720,249	\$1,013,610,068	\$1,140,607,002	\$1,240,157,737
<b><u>Less Exemptions</u></b>					
County Secured Roll	\$350,298,923	\$352,893,751	\$336,577,832	\$367,610,773	\$398,996,346
County Unsecured Roll	<u>17,126,014</u>	<u>853,316</u>	<u>2,358,911</u>	<u>2,898,313</u>	<u>10,358,725</u>
Total Exemptions	\$367,424,937	\$353,747,067	\$338,936,743	\$370,509,086	\$409,355,071
<b><u>Net Assessed Value</u></b>					
County Secured Roll	\$474,397,423	\$527,011,907	\$629,794,359	\$725,921,005	\$790,748,414
County Unsecured Roll	<u>37,537,333</u>	<u>37,961,275</u>	<u>44,878,966</u>	<u>44,176,911</u>	<u>40,054,252</u>
Total Net Assessed Values	\$511,934,756	\$564,973,182	\$674,673,325	\$770,097,916	\$830,802,666
<b><u>Base Year Values (1968-98 &amp; 2000-01)</u></b>					
Secured	\$328,497,980	\$328,497,980	\$328,497,980	\$328,497,980	\$328,497,980
Unsecured	<u>33,937,669</u>	<u>33,937,669</u>	<u>33,937,669</u>	<u>33,937,669</u>	<u>33,937,669</u>
Total Base Year Value	\$362,435,649	\$362,435,649	\$362,435,649	\$362,435,649	\$362,435,649
<b><u>Increase Over Base Year Values</u></b>					
Secured	\$145,899,443	\$198,513,927	\$301,296,379	\$397,423,025	\$462,250,434
Unsecured	<u>3,599,664</u>	<u>4,023,606</u>	<u>10,941,297</u>	<u>10,239,242</u>	<u>6,116,583</u>
Total Increase in Values	\$149,499,107	\$202,537,533	\$312,237,676	\$407,662,267	\$468,367,017

The table below summarizes the largest secured taxpayers in the Broadway/MacArthur/San Pablo Project Redevelopment Area for Fiscal Year 2008-09.

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**Redevelopment Agency of the City of Oakland  
Broadway/MacArthur/San Pablo Redevelopment Project Area  
Ten Largest Local Taxpayers**

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<b>Property Owner</b>	<b>Number of <u>Parcels Owned</u></b>	<b>Type of <u>Business</u></b>	<b>2008-09 Total <u>Assessed Value</u></b>	<b>% of Total <u>Assessed Value</u></b>	<b>% of Incremental <u>Value</u></b>
Kaiser Foundation Health Plan Inc. <sup>(1)</sup>	23	Commercial	\$30,712,371	3.70%	6.56%
Alta Bates Summit Medical Center	35	Commercial	29,786,605	3.59%	6.36%
SKB Webster LLC	1	Commercial	26,003,805	3.13%	5.55%
San Joaquin Group LLC	1	Commercial	14,852,520	1.79%	3.17%
Westpark II	1	Residential	12,483,800	1.50%	2.67%
6701 San Pablo LLC	1	Industrial	9,307,500	1.12%	1.99%
Courthouse Associates LLC	5	Vacant Land	7,710,000	0.93%	1.65%
Arthur & Amphorn Chan Trust	3	Commercial	7,485,704	0.90%	1.60%
3640 Associates & BW30 Associates	4	Commercial	6,685,557	0.80%	1.43%
Jules M. & Geraldine A. Barsotti	<u>13</u>	Commercial	<u>6,104,571</u>	<u>0.73%</u>	<u>1.30%</u>
<b>Total</b>	<b>87</b>		<b>\$151,132,433</b>	<b>18.19%</b>	<b>32.27%</b>

<sup>(1)</sup> Property Owners with currently pending appeals.

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Source: County of Alameda, Office of the Auditor-Controller..

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The table below reflects the historical Tax Revenues received by the Broadway/MacArthur/San Pablo Redevelopment Project Area based on fiscal years ending June 30, 2004, through June 30, 2008.

<b>Redevelopment Agency of the City of Oakland Broadway/MacArthur/San Pablo Redevelopment Project Area Tax Revenues Received</b>					
	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Tax Increment Revenues	\$1,206,572	\$1,995,089	\$2,947,984	\$4,370,998	\$5,280,709
State Unitary Tax	475	281	454	449	1,729
<b>Gross Tax Revenues</b>	<b>\$1,207,047</b>	<b>\$1,995,370</b>	<b>\$2,948,438</b>	<b>\$4,371,447</b>	<b>\$5,282,438</b>
Less County Tax Administration Fees	(11,292)	(18,848)	(17,766)	(19,368)	(44,367)
Less Housing Set-Aside	(241,409)	(399,074)	(589,688)	(874,289)	(1,056,488)
<b>Tax Revenues</b>	<b>\$954,346</b>	<b>\$1,577,448</b>	<b>\$2,340,984</b>	<b>\$3,477,789</b>	<b>\$4,181,583</b>
Less Tax Sharing Payments <sup>(1)</sup>	(241,409)	(399,074)	(589,688)	(874,289)	(1,056,488)
<b>Net Tax Revenues</b>	<b>\$712,936</b>	<b>\$1,178,374</b>	<b>\$1,751,297</b>	<b>\$2,603,500</b>	<b>\$3,125,096</b>

<sup>(1)</sup> Pursuant to subordination requests sent by the Agency to all affected taxing entities on June 16, 2006, all taxing entities have agreed, or are deemed to have agreed, in accordance with the Redevelopment Law to subordinate the receipt of their tax sharing payments to debt service on the Series 2006C Bonds.

Source: County of Alameda, Office of the Auditor-Controller.

### ***The Central City East Redevelopment Project Area***

This Project Area, formed in July 2003, contains neighborhoods in Central and East Oakland, including the Eastlake, Fruitvale, Central East Oakland and Elmhurst. The Project Area encompasses 3,339 acres and extends from the southern edge of the downtown area east to approximately the City of San Leandro border. The Project Area is primarily residential in nature, but contains commercial areas adjacent to downtown in the northwest portion of the Project Area and along MacArthur and Foothill Boulevards. Additionally, a small area of industrial development is located along Embarcadero West of I-880.

The Project Area has as bookends of two major mixed-use redevelopment projects – the Oak to Ninth project and the Foothill Square project. Once developed, the Oak to Ninth project will include 3,100 residential units, 200,000 square feet of commercial/retail space, a 170 slip marina, and approximately 30 acres of park/open space. The Foothill Square project would redevelop an existing 140,000 square feet single anchor retail center into a 190,000 square feet dual-anchored development with approximately 200 units of multifamily housing.

In addition, the Project Area Committee has identified opportunity sites for redevelopment of underutilized properties along major transit corridors of the Project Area into residential or mixed-use developments.

Other activities in the Central City East Redevelopment area include nine streetscape improvement projects located in commercial nodes throughout the redevelopment area; a Façade Improvement Program and a Tenant Improvement Program; several upgrades of community facilities including three libraries, two parks, and a pool; a Homeownership Rehabilitation Program; and funding for three Affordable housing developments called the Orchids (new development of 65 units of senior rental housing), Posade de Colores (infrastructure improvements to the property with 100 units of senior housing), and Foothill Plaza Apartments (rehabilitation of 54 units of rental housing), and a new Fire Station.

The table below summarizes the limits of the Central City East Redevelopment Plan (the “Plan”) for the Project Area.

Redevelopment Agency of the City of Oakland Central City East Project Area Summary Plan Limits				
<u>Plan Expiration Date</u>	<u>Last Date to Incur Debt</u>	<u>Last Date to Repay Debt with Tax Increment</u>	<u>Outstanding Debt Limit</u>	<u>Tax Increment Limit</u>
July 29, 2033	July 29, 2023	July 29, 2048	\$2.3 billion	None

## Project Area Taxable Values, Largest Taxpayers and Tax Revenues Received

The table below presents the taxable value of all property within the Central City East Project Area for fiscal years ended June 30, 2005 through June 30, 2009.

### Redevelopment Agency of the City of Oakland Central City East Redevelopment Project Area Property Taxable Values

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b><u>Gross Assessed Value</u></b>					
County Secured Roll	\$2,479,237,458	\$2,848,595,036	\$3,304,844,817	\$3,667,554,559	\$3,806,972,295
County Unsecured Roll	<u>138,251,272</u>	<u>137,021,519</u>	<u>138,321,535</u>	<u>148,064,078</u>	<u>98,555,820</u>
Total Gross Assessed Values	\$2,617,488,730	\$2,985,616,555	\$3,443,166,352	\$3,815,618,637	\$3,905,528,115
<b><u>Less Exemptions</u></b>					
County Secured Roll	\$78,621,408	\$89,595,234	\$87,933,124	\$89,368,923	\$103,426,991
County Unsecured Roll	<u>492,321</u>	<u>751,803</u>	<u>987,269</u>	<u>11,851,044</u>	<u>12,003,191</u>
Total Exemptions	\$79,113,729	\$90,347,037	\$88,920,393	\$101,219,967	\$115,430,182
<b><u>Net Assessed Value</u></b>					
County Secured Roll	\$2,400,616,050	\$2,758,999,802	\$3,216,911,693	\$3,578,185,636	\$3,703,545,304
County Unsecured Roll	<u>137,758,951</u>	<u>136,269,716</u>	<u>137,334,266</u>	<u>136,213,034</u>	<u>86,552,629</u>
Total Net Assessed Values	\$2,538,375,001	\$2,895,269,518	\$3,354,245,959	\$3,714,398,670	\$3,790,097,933
<b><u>Base Year Values (2002-03)</u></b>					
Secured	\$1,922,505,974	\$1,922,505,974	\$1,922,505,974	\$1,922,505,974	\$1,922,505,974
Unsecured	<u>51,032,796</u>	<u>51,032,796</u>	<u>51,032,796</u>	<u>51,032,796</u>	<u>51,032,796</u>
Total Base Year Value	\$1,973,538,770	\$1,973,538,770	\$1,973,538,770	\$1,973,538,770	\$1,973,538,770
<b><u>Increase Over Base Year Values</u></b>					
Secured	\$478,110,076	\$836,493,828	\$1,294,405,719	\$1,655,679,662	\$1,781,039,330
Unsecured	<u>86,726,155</u>	<u>85,236,920</u>	<u>86,301,470</u>	<u>85,180,238</u>	<u>35,519,833</u>
Total Increase in Values	\$564,836,231	\$921,730,748	\$1,380,707,189	\$1,740,859,900	\$1,816,559,163

Source: County of Alameda, Office of the Auditor-Controller.

The table below summarizes the largest secured taxpayers in the Central City East Project Area for Fiscal Year 2008-09.

**Redevelopment Agency of the City of Oakland  
Central City East Redevelopment Project Area  
Ten Largest Local Taxpayers**

<u>Property Owner</u>	<u>Number of Parcels Owned</u>	<u>Type of Business</u>	<u>2008-09 Total Assessed Value</u>	<u>% of Total Assessed Value</u>	<u>% of Incremental Value</u>
Eastmont Oakland Associates LLC	6	Commercial	\$35,303,367	0.93%	1.94%
Essex Regency Tower Apartments LP	1	Residential	22,507,929	0.59%	1.24%
US Bank National Association	45	Residential	18,660,361	0.49%	1.03%
Deutsche Bank National Company Trust	46	Residential	16,000,325	0.42%	0.88%
East Bay Hotel Limited Partnership	2	Unsecured	15,850,551	0.42%	0.87%
Oakland Hospitality LLC	2	Unsecured	14,725,083	0.39%	0.81%
Udinsky Family Trust	8	Residential	12,672,811	0.33%	0.70%
Barbara D Hartson & John K. Kennedy	1	Commercial	10,866,472	0.29%	0.60%
1630 High Street LLC <sup>(1)</sup>	1	Commercial	10,761,860	0.28%	0.59%
Washington Mutual Bank	<u>27</u>	Residential	<u>10,583,752</u>	<u>0.28%</u>	<u>0.58%</u>
<b>Total</b>	<b>139</b>		<b>\$167,932,511</b>	<b>4.43%</b>	<b>9.24%</b>

<sup>(1)</sup> Property Owners with currently pending appeals.

Source: County of Alameda, Office of the Auditor-Controller.

The table below reflects the historical Tax Revenues received by the Central City East Project Area based on fiscal years ending June 30, 2005, through June 30, 2008.

<b>Redevelopment Agency of the City of Oakland Central City East Redevelopment Project Area Tax Revenues Received</b>				
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-2008</u>
Tax Increment Revenues	\$8,524,094	\$14,342,928	\$19,678,900	\$22,161,931
State Unitary Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,346</u>
<b>Gross Tax Revenues</b>	<b>\$8,524,094</b>	<b>\$14,342,928</b>	<b>\$19,678,900</b>	<b>\$22,167,277</b>
Less County Tax Administration Fees	(71,196)	(67,112)	(88,409)	(204,163)
Less Housing Set-Aside	<u>(1,704,819)</u>	<u>(2,868,586)</u>	<u>(3,935,780)</u>	<u>(4,433,455)</u>
<b>Tax Revenues</b>	<b>\$6,748,079</b>	<b>\$11,407,230</b>	<b>\$15,654,711</b>	<b>\$17,529,659</b>
Less Tax Sharing Payments <sup>(1)</sup>	<u>(1,704,819)</u>	<u>(2,868,586)</u>	<u>(3,935,780)</u>	<u>(4,433,455)</u>
<b>Net Tax Revenues</b>	<b>\$5,043,260</b>	<b>\$8,538,645</b>	<b>\$11,718,931</b>	<b>\$13,096,203</b>

<sup>(1)</sup> Pursuant to subordination requests sent by the Agency to all affected taxing entities on June 16, 2006, all taxing entities have agreed, or are deemed to have agreed, in accordance with the Redevelopment Law to subordinate the receipt of their tax sharing payments to debt service on the Series 2006A Bonds.

Source: County of Alameda, Office of the Auditor-Controller.

### ***The Coliseum Area Redevelopment Project Area***

Created in 1995, the Project Area, in terms of acreage, is the largest project area in the City, encompassing approximately 6,764 acres, or 10.57 square miles, in size. The Project Area produced approximately 25% of the Agency's tax increment revenue for Fiscal Year 2005-06. With McAfee Coliseum and Arena within its boundaries and Oakland International Airport, one of the fastest growing international airports in the State, directly adjacent, the Agency envisions the Project Area as an ideal location for residential, retail, business parks, entertainment and recreational development opportunities.

The Project Area is also a transportation hub, including the Coliseum and Fruitvale BART stations, a Union Pacific train station and freight facilities, AC Transit and the Coliseum Intercity Rail Platform (AMTRAK Capitol Corridor), and major arterials including I-880, Hegenberger Road, International Boulevard, San Leandro Street, and the proposed Oakland Airport Connector.

Developments projects recently underway in the Project Area include the Coliseum Transit Village, a mixed-use, transit-oriented development in the area of the Coliseum BART station; Lion Creek Crossings (formerly Coliseum Gardens), a 382-unit mixed income housing development under construction by the Oakland Housing Authority; a new 23,000 square foot library, which will be Oakland's largest branch library; a 160,000 square foot shopping center; and a new 400-unit housing development at 98<sup>th</sup> and San Leandro Street called Arcadia Park.

Other activities in the Project Area include a façade improvement program along International Boulevard between 23<sup>rd</sup> Avenue to the San Leandro city border and a streetscape improvement program along several major roads within the Project Area.

The table below summarizes the limits of the Coliseum Area Redevelopment Plan (the “Plan”) for the Project Area, including the amendment area added by the amendment to the plan adopted on July 29, 1997.

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**Redevelopment Agency of the City of Oakland  
Coliseum Area Project Area – Original Area and 1998 Annex  
Summary Plan Limits**

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<u>Project Area</u>	<u>Plan Expiration Date</u>	<u>Last Date to Incur Debt</u>	<u>Last Date to Repay Debt with Tax Increment</u>	<u>Outstanding Debt Limit</u>	<u>Tax Increment Limit</u>
Original Area	July 25, 2027	July 25, 2015	July 25, 2042	\$300 million <sup>(1)</sup>	None
1998 Annex	July 29, 2028	July 29, 2017	July 29, 2043	\$300 million <sup>(1)</sup>	None

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<sup>(1)</sup> The \$300 million limit on outstanding indebtedness is an aggregate limit applicable to the entire Project Area (i.e., both the original portion of the Project area and the 1998 Annex area)

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## Project Area Taxable Values, Largest Taxpayers and Tax Revenues Received

The table below presents the taxable value of all property within the Coliseum Area Project Area for fiscal years ended June 30, 2005 through June 30, 2009.

### Redevelopment Agency of the City of Oakland Coliseum Redevelopment Project Area Property Taxable Values

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b><u>Gross Assessed Value</u></b>					
County Secured Roll	\$2,637,808,190	\$2,981,852,464	\$3,363,084,261	\$3,696,299,554	\$3,844,030,680
County Unsecured Roll	<u>537,915,752</u>	<u>615,865,767</u>	<u>597,487,149</u>	<u>640,047,934</u>	<u>734,324,440</u>
Total Gross Assessed Values	\$3,175,723,942	\$3,597,718,231	\$3,960,571,410	\$4,336,347,488	\$4,578,355,120
<b><u>Less Exemptions</u></b>					
County Secured Roll	\$103,607,230	\$119,773,767	\$114,452,675	\$109,553,895	\$151,904,937
County Unsecured Roll	<u>85,653,923</u>	<u>115,541,030</u>	<u>92,253,434</u>	<u>111,106,015</u>	<u>96,180,473</u>
Total Exemptions	\$189,261,153	\$235,314,797	\$206,706,109	\$220,659,910	\$248,085,410
<b><u>Net Assessed Value</u></b>					
County Secured Roll	\$2,534,200,960	\$2,862,078,697	\$3,248,631,586	\$3,586,745,659	\$3,692,125,743
County Unsecured Roll	<u>452,261,829</u>	<u>500,324,737</u>	<u>505,233,715</u>	<u>528,941,919</u>	<u>638,143,967</u>
Total Net Assessed Values	\$2,986,462,789	\$3,362,403,434	\$3,753,865,301	\$4,115,687,578	\$4,330,269,710
<b><u>Base Year Values (1994-95 &amp; 1996-97)</u></b>					
Secured	\$1,377,321,734	\$1,377,321,734	\$1,377,321,734	\$1,377,321,734	\$1,377,321,734
Unsecured	<u>301,176,755</u>	<u>301,176,755</u>	<u>301,176,755</u>	<u>301,176,755</u>	<u>301,176,755</u>
Total Base Year Value	\$1,678,498,489	\$1,678,498,489	\$1,678,498,489	\$1,678,498,489	\$1,678,498,489
<b><u>Increase Over Base Year Values</u></b>					
Secured	\$1,156,879,226	\$1,484,756,963	\$1,871,309,852	\$2,209,423,925	\$2,314,804,009
Unsecured	<u>151,085,074</u>	<u>199,147,982</u>	<u>204,056,960</u>	<u>227,765,164</u>	<u>336,967,212</u>
Total Increase in Values	\$1,307,964,300	\$1,683,904,945	\$2,075,366,812	\$2,437,189,089	\$2,651,771,221

Source: County of Alameda, Office of the Auditor-Controller..

The table below summarizes the largest secured taxpayers in the Coliseum Area Project Area for Fiscal Year 2008-09.

**Redevelopment Agency of the City of Oakland  
Coliseum Redevelopment Project Area  
Ten Largest Local Taxpayers**

<b>Property Owner</b>	<b>Number of Parcels Owned</b>	<b>Type of Business</b>	<b>2008-09 Total Assessed Value</b>	<b>% of Total Assessed Value</b>	<b>% of Incremental Value</b>
Federal Express Corporation	9	Unsecured	\$79,012,663	1.82%	2.98%
Oakland Alameda County Coliseum Authority	2	Unsecured	76,089,970	1.76%	2.87%
Zhone Technologies Campus LLC	2	Commercial	68,891,133	1.59%	2.60%
Owens Brockway Glass Container Inc. <sup>(1)</sup>	24	Industrial	66,035,263	1.52%	2.49%
Comcast of California Colorado	1	Unsecured	50,372,705	1.16%	1.90%
Hilton Hotels Holdings Corporation	1	Unsecured	50,000,000	1.15%	1.89%
Fruitvale Station LLC <sup>(1)</sup>	2	Commercial	43,528,763	1.01%	1.64%
Signature at Durant Square LLC <sup>(1)</sup>	2	Commercial	37,145,068	0.86%	1.40%
KW Fund I Hegenberger LP	2	Commercial	33,292,800	0.77%	1.26%
Swenson Development II LLC	<u>1</u>	Industrial	<u>33,204,995</u>	<u>0.77%</u>	<u>1.25%</u>
<b>Total</b>	<b>46</b>		<b>\$537,573,360</b>	<b>12.41%</b>	<b>20.27%</b>

<sup>(1)</sup> Property Owners with currently pending appeals.

Source: County of Alameda, Office of the Auditor-Controller.

The table below reflects the historical Tax Revenues received by the Coliseum Project Area based on fiscal years ending June 30, 2004, through June 30, 2008.

<b>Redevelopment Agency of the City of Oakland Coliseum Redevelopment Project Area Tax Revenues Received</b>					
	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07<sup>(2)</sup></u>	<u>2007-2008</u>
Tax Increment Revenues	\$15,085,118	\$17,226,481	\$22,831,292	\$27,700,888	\$30,697,498
State Unitary Tax	<u>30,182</u>	<u>24,516</u>	<u>25,204</u>	<u>24,648</u>	<u>38,515</u>
<b>Gross Tax Revenues</b>	<b>\$15,115,300</b>	<b>\$17,250,997</b>	<b>\$22,856,496</b>	<b>\$27,725,536</b>	<b>\$30,736,013</b>
Less County Tax Administration Fees	(124,405)	(165,135)	(155,660)	(161,236)	(241,205)
Less Housing Set-Aside	<u>(3,023,060)</u>	<u>(3,450,199)</u>	<u>(4,571,299)</u>	<u>(5,545,107)</u>	<u>(6,147,203)</u>
<b>Tax Revenues</b>	<b>\$11,967,835</b>	<b>\$13,635,663</b>	<b>\$18,129,537</b>	<b>\$22,019,193</b>	<b>\$24,347,605</b>
Less Tax Sharing Payments <sup>(1)</sup>	<u>(3,023,060)</u>	<u>(3,450,199)</u>	<u>(4,571,299)</u>	<u>(6,183,453)</u>	<u>(6,147,202)</u>
<b>Net Tax Revenues</b>	<b>\$8,944,775</b>	<b>\$10,185,463</b>	<b>\$13,558,238</b>	<b>\$15,835,740</b>	<b>\$18,200,403</b>

(1) Pursuant to subordination requests sent by the Agency to all affected taxing entities on June 16, 2006, all taxing entities have agreed, or are deemed to have agreed, in accordance with the Redevelopment Law to subordinate the receipt of their tax sharing payments to debt service on the Series 2006B Bonds.

(2) Beginning with fiscal year 2006-07 the statutory tax sharing amount for the original portion of the Coliseum Redevelopment Project Area includes a second tier of tax sharing pursuant to Section 33607.5 of the Redevelopment Law.

Source: County of Alameda, Office of the Auditor-Controller.

### ***Combined Information for All Project Areas***

The table below shows the tax increment revenues accruing to the Agency and the total Housing Set Aside Revenues in the fiscal years ending June 30, 2004 through June 30, 2008. The amount of housing set-aside funds is 20% of the actual revenues allocated to the Agency. The RDA's Housing Set Aside Revenue Bonds are secured by set aside revenues from all project areas in the City.

<b>TAX INCREMENT AND HOUSING SET ASIDE REVENUES HISTORY (FOR ALL REDEVELOPMENT PROJECT AREAS) (in \$000's)</b>					
	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-08</u>
Tax Increment	\$53,330	\$69,796	\$89,850	\$109,430	122,449
Housing Set- Aside	\$10,666	\$13,959	\$17,970	\$21,887	24,490

Source: Alameda County Auditor-Controller

The table below shows total Housing Set Aside Revenues by redevelopment project area in fiscal years ending June 30, 2004 through 2008.

**HOUSING SET ASIDE REVENUES HISTORY BY REDEVELOPMENT PROJECT AREA**  
(in \$ 000's)

<u>Project Area</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Acorn	\$203	\$232	\$196	\$216	247
Broadway/MacArthur	239	396	590	874	1,056
Central District	6,666	7,115	8,011	8,656	9,766
Central East	-	1,692	2,869	3,936	4,432
Coliseum	3,000	3,421	4,571	5,545	6,147
Oak Center	184	206	248	320	22
Oak Knoll	-	1	2	2	2
Oakland Army Base	355	620	793	1,046	1,165
Stanford/Adeline	19	25	27	32	33
West Oakland	-	251	664	1,259	1,619
<b>Total</b>	<b>\$10,666</b>	<b>\$13,959</b>	<b>\$17,970</b>	<b>\$21,887</b>	<b>24,490</b>

Source: Alameda County Auditor-Controller

The table below shows the property owners with the highest taxable values in all project areas combined as of June 30, 2008.

**TEN HIGHEST TAXABLE PROPERTY TAXPAYERS (ALL PROJECT AREAS COMBINED)**  
Top Property Owners Based on Net Taxable Assessed Values for Fiscal Year 2008-2009  
(in \$ 000's)

<u>Property Owner</u>	<u>Taxable Value<sup>(1)</sup></u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>	<u>% of Total Taxable Value</u>	<u>Type of Business</u>
Brandywine Ordway LLC	266,478	266,465	1.88%	1.66%	Property Management
Kaiser Foundation Health Plan Inc.	230,043	182,010	1.28%	1.44%	Health Services
SSA Terminals	224,238	0	0.00%	1.40%	Shipping
OCC Venture LLC	199,325	199,325	1.41%	1.25%	Property Management
1800 Harrison Foundation	119,542	119,542	0.84%	0.75%	Property Management
Total Terminals International LLC	118,261	0	0.00%	0.74%	Shipping
Suncal Oak Knoll LLC	106,699	106,699	0.75%	0.67%	Property Management
Clorox Company	96,306	96,306	0.68%	0.60%	Household Products
555 Twelfth Street Venture LLC	92,879	92,879	0.66%	0.58%	Property Management
Uptown Housing Partners LP	83,606	83,606	0.59%	0.52%	Property Management
<b>TOP VALUE TOTALS</b>	<b>1,537,376</b>	<b>1,146,831</b>	<b>8.10%</b>	<b>9.60%</b>	

<sup>(1)</sup>Includes taxable real and personal property (secured and unsecured assessed value).

Source: Alameda County Auditor-Controller

The table below shows a summary of the current appeals by property owners of the assessed valuation of their properties as of June 30, 2008.

**SECURED ASSESSMENT APPEAL SUMMARY**

Project Area	Appeals	Value	Owner's	Maximum Loss <sup>(2)</sup>	% Loss Potential
	Pending <sup>(1)</sup>	Under Appeal	Opinion Value		By Area
Acorn	5	5,415,869	8,470	5,407,399	99.84%
Army Base	16	360,892,994	177,823,800	183,069,194	50.73%
Broadway/MacArthur	20	10,801,037	4,804,387	5,996,650	55.52%
Central City East	35	28,904,856	14,811,403	14,093,453	48.76%
Central District	85	257,234,134	73,335,298	183,898,836	71.49%
Coliseum	81	354,413,993	215,633,858	138,780,135	39.16%
Oak Center	4	1,039,195	304,541	734,654	70.69%
Stanford/Adeline	1	47,399	4,740	42,659	90.00%
West Oakland	24	28,498,621	11,002,866	17,495,755	61.39%
Totals	271	1,047,248,098	497,729,363	549,518,735	52.47%

<sup>(1)</sup> Assessment Appeals through August 20, 2008.

<sup>(2)</sup> Maximum loss is assumed as the difference between the Value Under Appeal and the Owner's Opinion Value.

Source: Alameda County Auditor-Controller

The table below outlines the total taxable values of properties within the project areas over the last five fiscal years including the current fiscal year.

**TAXABLE VALUE HISTORY (ALL PROJECT AREAS)**  
(in \$ 000's)

	2004-2005	2005-06	2006-07	2007-08	2008-09
Total Secured	\$9,315,203	\$10,427,202	\$11,916,947	\$13,346,810	14,165,732
Total Unsecured	\$15,70,121	\$1,720,856	\$1,780,301	\$1,790,678	1,844,136
Total taxable values	\$10,885,323	\$12,148,058	\$13,697,247	\$15,137,488	16,009,867
(Less base year values)	(5,636,768)	(5,636,768)	(5,636,768)	(5,636,768)	(5,636,768)
Incremental Value	\$5,248,555	\$6,511,290	\$8,060,480	\$9,500,720	10,373,100
Percentage change	27.58%	24.06%	23.79%	17.87%	9.18%

Source: Alameda County Auditor-Controller

## ***2007-08 Long-Term Debt Financings***

### **Oakland Joint Powers Financing Authority Refunding Revenue Bonds, 2008 Series A-1 and A-2**

On April 16, 2008, the Oakland Joint Powers Financing Authority (the “JPFA”) issued its Refunding Revenue Bonds in an aggregate principal amount of \$127,960,000. This issue comprised of a tax-exempt portion in an aggregate amount of \$107,630,000 (the “2008 Series A-1”) and a taxable portion in an aggregate amount of \$20,330,000 (the “2008 Series A-2”), (collectively, the “2008 Bonds”). The 2008 Bonds are fixed rate bonds. The 2008 Bonds were issued to (i) refund and defease all of the outstanding JPFA’s Refunding Revenue Bonds, 2005 Series A and Series B (Auction Rates Securities) and (ii) to convert the auction rates securities to fix rate bonds. The proceeds associated with the 2008 Series A-2 were used to fund a portion of the City’s obligation to make payments to its Police and Fire Retirement System. The 2008 Series A-1 Bonds are tax-exempt with a final maturity of January 1, 2017; the interest rates on these bonds range from 3.00% to 5.25%. The 2008 Series A-2 Bonds are federally taxable with a final maturity of January 1, 2014; the interest rates on these bonds range from 3.45% to 4.69%.

The 2008 Bonds were insured by Assured Guaranty Corp., and rated Aaa/AAA/AAA by Moody’s, S&P and Fitch, respectively, are limited obligations of the Authority payable solely from lease revenues from the City, as lessee, to the Authority, as lessor.

### **Oakland Joint Powers Financing Authority Lease Revenue Refunding Bonds, 2008 Series B**

On May 1, 2008, the Oakland Joint Powers Financing Authority (the “JPFA”) issued its Lease Revenue Refunding Bonds (Oakland Administration Buildings) 2008 Series B in an aggregate principal amount of \$113,450,000 (the “2008 Series B Bonds”). The 2008 Series B Bonds are tax-exempt and fixed rate bonds. The 2008 Series Bonds were issued to (i) refund and defease all of the outstanding JPFA’s Lease Revenue Refunding Bonds (Oakland Administration Buildings) 2004 Series A-1 and A-2 (Auction Rates Securities) (the “2004 Bonds”), (ii) to convert the auction rates securities to fix rate bonds and (iii) to terminate two interest swaps associated with the 2004 Bonds. The 2008 Series B Bonds are tax-exempt with a final maturity of August 1, 2026; the interest rates on these bonds range from 2.25% to 5.00%.

The 2008 Series B Bonds were insured by Assured Guaranty Corp., and rated Aaa/AAA/AAA by Moody’s, S&P and Fitch, respectively, are limited obligations of the Authority payable solely from lease revenues from the City, as lessee, to the Authority, as lessor.

## 6. INFORMATION REGARDING SEWER REVENUE BONDS

### *Enterprise Revenue Bonds*

The City has also issued bonds secured by revenues of its sewer system. These bonds, issued on December 14, 2004 in the par amount of \$62,330,000, mature serially through June 2029.

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**City of Oakland  
Sewer Revenue Bonds  
June 30, 2007  
(in \$000s)**

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<u>Issue Name</u>	<u>CUSIP Number</u>	<u>Final Maturity</u>	<u>Original Par</u>	<u>Par Outstanding</u>
City of Oakland Sewer Revenue Bonds 2004 Series A	67232NAZ1	2029	\$62,330	\$57,720

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**City of Oakland  
Sewer System  
Historical Revenues and Expenses  
(Fiscal Years Ended June 30)  
(in \$000s)**

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	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-2008</u>
<b><u>Revenues</u></b>					
Operating Revenues	\$ 22,590	\$ 24,252	\$ 24,678	\$ 29,838	\$ 33,264
Interest Income	-	592	1,834	1,564	1,272
Total Revenues	\$ 22,590	\$ 24,844	\$ 26,512	\$ 31,402	\$ 34,536
<b><u>Maintenance and Operations Costs</u></b>					
Operating Expenses <sup>1</sup>	\$ 16,799	\$ 16,029	\$ 18,152	\$ 22,540	\$ 23,500
Net Revenues Available for Debt Service	\$ 5,791	\$ 8,815	\$ 8,360	\$ 8,862	\$ 11,036
Debt Service on 2004 Bonds		\$ 1,504	\$ 4,481	\$ 4,481	\$ 4,485
Coverage – Senior Debt Service		5.86x	1.87x	1.98x	2.46x
SRF Loan Debt Service		\$ 915	\$ 915	\$ 915	\$ 915
Coverage – All Obligations		3.64x	1.55x	1.64x	2.04x
Net Revenues after Debt Service		\$ 6,396	\$ 2,964	\$ 3,466	\$ 5,636

<sup>1</sup> Excludes depreciation

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**City of Oakland  
Sewer System  
Revenues by Type of Account  
(Fiscal Year Ending June 30, 2008)**

<u>Type of Account</u>	<u>2007-08</u>
Residential	22,908,458.59
Commercial	6,360,588.61
Industrial	421,955.93
Public Authority	<u>932,875.37</u>
Total	\$30,623,878.50

**City of Oakland  
Sewer System  
Ten Largest Users by Flow  
As of June 30, 2008**

<u>User Name</u>	<u>Peak Monthly Flow (CCUFT/Mo)</u>	<u>Total Yearly Flow (CCUFT)</u>
Quaker Oats Company	7,790	74,795
Aramark Uniform Services	4,641	57,036
Oakland Housing Auth	4,476	50,390
General Services Agency	5,148	48,508
College of Holy Names	3,290	35,217
Samuel Merritt Hospital	3,250	30,905
City Center Plaza	3,284	34,195
Oakland Housing Auth	3,212	32,203
CIM Oakland City Ctr	2,542	27,613
Oakland Redevelopment Agy	4,778	32,619

**City of Oakland  
Sewer System  
Ten Largest Users by Revenue  
As of June 30, 2008**

<u>User Name</u>	<u>2006-07 Annual Revenue</u>	<u>Percent of Total Revenue</u>
Quaker Oats Company	\$116,857.82	0.381%
Aramark Uniform Services	89,427.16	0.292
Oakland Housing Auth	64,701.72	0.211
General Services Agency	62,854.32	0.205
College of Holy Names	45,177.51	0.147
Samuel Merritt Hospital	44,061.25	0.144
City Center Plaza	44,025.59	0.144
Oakland Housing Auth	41,478.69	0.135
CIM Oakland City Ctr	41,449.98	0.135
Oakland Redevelopment Agy	40,934.26	0.134

The City's single-family residential charges for Fiscal Year 2007-08 are set forth in the table below with a comparison to rates charged by other Bay Area cities in effect for the calendar 2008.

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**City of Oakland  
Sewer System  
Monthly Sewer Charge Comparison  
Single-Family Residential Service  
(Calendar Year 2007 and 2008)**

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<u>City</u>	<u>Average Monthly Residential Charge</u>
Piedmont†	\$33.58 <sup>(1)</sup>
Pleasanton	31.50 <sup>(2)</sup>
San Francisco	42.36
San Leandro	26.29
San Jose	27.09
Hayward	23.31
Oakland†	20.04
Alameda†	14.79
Stege Sanitary District	10.25
Emeryville†	8.00

† Excludes monthly East Bay MUD Wastewater treatment charge of \$15.11.

<sup>(1)</sup> Also includes wastewater treatment charges.

<sup>(2)</sup> Also includes sewer and storm drain charges.

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Source: City of Oakland.

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**City of Oakland  
Sewer System  
Current Sewer System Rates  
Calendar Year 2007 and 2008**

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<u>Type of Occupancy</u>	<u>2008 Monthly Charge</u>
<b>Residential</b>	
Single family	\$20.04
Duplex	\$22.49
Triplex	\$33.72
Fourplex	\$44.99
Other	metered rate based on water flow
<b>Commercial</b>	
Restaurants/Hotels	\$1.42 per 100 cu ft.
Hospitals	\$1.52 per 100 cu ft.
Laundromats/Carwashes	\$1.60 per 100 cu ft.
All Others	\$1.37 per 100 cu ft.
<b>Industrial</b>	
Industrial Accounts	\$1.24 per 100 cu ft.
Properties with Sewer Meters	\$1.66 per 100 cu ft.
Minimum Rate for any Property	\$20.04

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The following table shows scheduled semiannual debt service on the 2004 Sewer Revenue Bonds, Series A.

**Debt Service Schedule**

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Annual Debt Service</u>
12/15/06	-	1,473,021.88	1,473,021.88	-
06/15/07	1,535,000	1,473,021.88	3,008,021.88	4,481,043.75
12/15/07	-	1,449,996.88	1,449,996.88	-
06/15/08	1,585,000	1,449,996.88	3,034,996.88	4,484,993.75
12/15/08	-	1,426,221.88	1,426,221.88	-
06/15/09	1,630,000	1,426,221.88	3,056,221.88	4,482,443.75
12/15/09	-	1,385,471.88	1,385,471.88	-
06/15/10	1,710,000	1,385,471.88	3,095,471.88	4,480,943.75
12/15/10	-	1,342,721.88	1,342,721.88	-
06/15/11	1,800,000	1,342,721.88	3,142,721.88	4,485,443.75
12/15/11	-	1,297,721.88	1,297,721.88	-
06/15/12	1,885,000	1,297,721.88	3,182,721.88	4,480,443.75
12/15/12	-	1,249,418.75	1,249,418.75	-
06/15/13	1,985,000	1,249,418.75	3,234,418.75	4,483,837.50
12/15/13	-	1,197,312.50	1,197,312.50	-
06/15/14	2,090,000	1,197,312.50	3,287,312.50	4,484,625.00
12/15/14	-	1,152,900.00	1,152,900.00	-
06/15/15	2,175,000	1,152,900.00	3,327,900.00	4,480,800.00
12/15/15	-	1,098,525.00	1,098,525.00	-
06/15/16	2,285,000	1,098,525.00	3,383,525.00	4,482,050.00
12/15/16	-	1,041,400.00	1,041,400.00	-
06/15/17	2,400,000	1,041,400.00	3,441,400.00	4,482,800.00
12/15/17	-	981,400.00	981,400.00	-
06/15/18	2,520,000	981,400.00	3,501,400.00	4,482,800.00
12/15/18	-	931,000.00	931,000.00	-
06/15/19	2,620,000	931,000.00	3,551,000.00	4,482,000.00
12/15/19	-	865,500.00	865,500.00	-
06/15/20	2,750,000	865,500.00	3,615,500.00	4,481,000.00
12/15/20	-	796,750.00	796,750.00	-
06/15/21	2,890,000	796,750.00	3,686,750.00	4,483,500.00
12/15/21	-	724,500.00	724,500.00	-
06/15/22	3,035,000	724,500.00	3,759,500.00	4,484,000.00
12/15/22	-	648,625.00	648,625.00	-
06/15/23	3,185,000	648,625.00	3,833,625.00	4,482,250.00
12/15/23	-	569,000.00	569,000.00	-
06/15/24	3,345,000	569,000.00	3,914,000.00	4,483,000.00
12/15/24	-	485,375.00	485,375.00	-
06/15/25	3,515,000	485,375.00	4,000,375.00	4,485,750.00
12/15/25	-	397,500.00	397,500.00	-
06/15/26	3,690,000	397,500.00	4,087,500.00	4,485,000.00
12/15/26	-	305,250.00	305,250.00	-
06/15/27	3,875,000	305,250.00	4,180,250.00	4,485,500.00
12/15/27	-	208,375.00	208,375.00	-
06/15/28	4,065,000	208,375.00	4,273,375.00	4,481,750.00
12/15/28	-	106,750.00	106,750.00	-
06/15/29	<u>4,270,000</u>	<u>106,750.00</u>	<u>4,376,750.00</u>	<u>4,483,500.00</u>
Total	\$62,330,000	\$46,763,898.25	\$109,093,898.25	\$109,093,898.25

Source: Official Statement

## 7. INFORMATION REGARDING SPECIAL ASSESSMENT DISTRICTS

The City has debt outstanding for two bond issues supported by assessment districts. Debt service on each of these assessment and reassessment bond issues is paid solely from assessments levied on real property within the respective districts. The City is not responsible for debt service on the bonds in the event that assessment collections are not sufficient.

The Special Assessment Pooled Revenue Bonds Series 1997 and Reassessment Revenue Bonds Series 1999—are subject to continuing disclosure certificates. The City files a separate continuing disclosure document for its special assessment bonds. NBS Lowry prepares these reports and files them as dissemination on behalf of the City. Continuing reports can be obtained through NBS’s website at [www.nbsgov.com](http://www.nbsgov.com). Summary information is provided in this Report for the convenience of investors and other interested parties.

The table below summarizes the City’s outstanding assessment bonds.

City of Oakland Special Assessments As of June 30, 2008 (in \$000s)				
Issue Name	Issuance Date	Final Maturity	Original Par	Par Outstanding
Oakland Joint Powers Financing Authority Special Assessment Pooled Revenue Bonds, Series 1996 A	8/22/1996	2020	\$ 465	\$ 190
Oakland Joint Powers Financing Authority Special Assessment Pooled Revenue Bonds, Series 1997	12/3/1997	2012	1,250	270
Oakland Joint Powers Financing Authority Reassessment Revenue Bonds, Series 1999	7/27/1999	2024	7,255	<u>5,740</u>
Total				\$6,200

## ***Special Assessment Pooled Assessment Bond Debt Service and Assessment Revenues***

The tables below summarize the annual debt service due and assessments levied and collected in connection with the Oakland Joint Powers Financing Authority Special Assessment Pooled Revenue Bonds, 1997 Series and the Oakland Joint Powers Financing Authority Special Reassessment Revenue Bonds, Series 1999. This does not include bonds of other assessment districts, which do not require continuing disclosure.

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### **OAKLAND JOINT POWERS FINANCING AUTHORITY SPECIAL ASSESSMENT POOLED REVENUE BONDS, 1997 SERIES ANNUAL DEBT SERVICE AND ASSESSMENT REVENUES**

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Fiscal Year Ending June 30	Annual Debt Service	Assessments Levied <sup>(1)</sup>	Assessments Collected	Current Delinquency <sup>(2)</sup>
2004	114,458	123,419	120,643	2.25%
2005	111,063	125,054	119,177	4.68
2006	115,598	126,121	124,405	1.36
2007	121,518	134,310	131,917	1.78
2008	324,178	135,054	132,778	1.69

<sup>(1)</sup> Assessments levied will vary from annual debt service due to reserve factors, administrative costs and timing differences between collections and debt service payments.

<sup>(2)</sup> Percent of assessment installments unpaid as of June 30 of each fiscal year.

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Source: NBS, Local Government Solutions.

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### **OAKLAND JOINT POWERS FINANCING AUTHORITY SPECIAL ASSESSMENT POOLED REVENUE BONDS, SERIES 1999 ANNUAL DEBT SERVICE AND ASSESSMENT REVENUES**

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Fiscal Year Ending June 30	Annual Debt Service	Assessments Levied <sup>(1)</sup>	Assessments Collected	Current Delinquency <sup>(2)</sup>
2004	532,060	619,731	598,343	3.45%
2005	538,900	625,998	22,936	3.66
2006	544,800	614,785	592,823	3.57
2007	526,148	603,092	580,202	3.80
2008	530,753	597,099	565,105	5.36

<sup>(1)</sup> Assessments levied will vary from annual debt service due to reserve factors, administrative costs and timing differences between collections and debt service payments.

<sup>(2)</sup> Percent of assessment installments unpaid as of June 30 of each fiscal year.

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Sources: NBS, Local Government Solutions.

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