

**RESOLUTION NO. 76-2021**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFICA  
APPROVING LEASE FINANCING IN THE AGGREGATE PRINCIPAL  
AMOUNT OF \$4,000,000 TO FINANCE A PORTION OF THE  
CONSTRUCTION OF THE CIVIC CENTER CAMPUS IMPROVEMENT  
PROJECT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF  
THE SITE LEASE AGREEMENT, LEASE AGREEMENT AND  
ASSIGNMENT AGREEMENT AND RELATED DOCUMENTS**

---

**WHEREAS**, the City of Pacifica (the "City") has determined to implement the acquisition, construction and improvement of the Civic Center Campus Improvement Project, consisting generally of upgrades to the existing City Hall campus and related buildings (the "Project"); and

**WHEREAS**, in order to finance a portion of the cost of the Project, the City has agreed to lease the real property consisting of the Public Safety Building located at 2075 Coast Highway in the City (the "Leased Property") to the City of Pacifica Financing Authority (the "Authority") under a Site Lease (the "Site Lease") in consideration of the payment by the Authority of an upfront rental payment (the "Site Lease Payment") which is sufficient to provide financing for the costs of the Project; and

**WHEREAS**, the Authority has agreed to sublease the Leased Property back to the City pursuant to a Lease Agreement (the "Lease Agreement") in consideration of the payment by the City of lease payments (the "Lease Payments") for the use and occupancy of the Leased Property; and

**WHEREAS**, in order to raise the funds needed to finance a portion of the cost of the Project, the Authority has agreed to assign certain of its rights under the Site Lease and the Lease Agreement, including the right to receive and enforce payment of the Lease Payments, to Sterling National Bank (the "Lender"), which will provide financing for the Project in the principal amount of \$4,000,000; and

**WHEREAS**, in accordance with Government Code Section 5852.1, the City has obtained and wishes to disclose certain financial information relating to the execution and delivery of the Lease Agreement as set forth in Appendix A hereto; and

**WHEREAS**, the execution and delivery of the Lease Agreement will be in compliance with the Debt Issuance and Management Policy which has been adopted by the City; and

**WHEREAS**, the City Council wishes at this time to approve and authorize the execution and delivery of the Site Lease and the Lease Agreement, and all related financing agreements and documents, for the purpose of providing funds to finance a portion of the cost of the Project in furtherance of the public purposes of the City;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pacifica as follows:

**Section 1. Recitals.** The City Council hereby finds and determines that the foregoing recitals are true and correct.

**Section 2. Approval of Financing Agreements.** The City Council hereby approves each of the following agreements required for the financing of a portion of the costs of the Project, in substantially the respective forms on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager or the Chief Financial Sustainability Officer, or the written designee of any of them (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of the Site Lease Payment.
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay periodic Lease Payments which are sufficient to pay debt service in respect of the financing, in the principal amount of \$4,000,000, and at an annual interest rate of 1.97%.

**Section 3. Assignment of Rights.** The City Council hereby approves the assignment by the Authority of certain of its rights under the Site Lease and the Lease Agreement, including the right to receive and enforce the payment of the Lease Payments, to the Lender, pursuant to an Assignment Agreement between the Authority and the Lender, under which the Lender agrees to provide the funds equal to the Site Lease Payment.

**Section 4. Official Actions.** The Authorized Officers are hereby authorized and directed, for and on behalf of the City, to do any and all things and take any and all actions and execute any and all certificates, agreements, and other documents, including without limitation a term sheet with the Lender, and to take any and all other actions, in furtherance of and consistent with the transactions contemplated by this Resolution. All actions previously taken by the Authorized Officers and the other officers and agents of the City with respect to the transactions contemplated by this Resolution are hereby approved, confirmed and ratified.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

\* \* \* \* \*

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Pacifica, California, held on the 22<sup>nd</sup> day of November, 2021, by the following vote:

**AYES**, Councilmembers: Beckmeyer, Bier, Bigstych, O'Neill, Vaterlaus.

**NOES**, Councilmembers: n/a.

**ABSENT**, Councilmembers: n/a.

**ABSTAIN**, Councilmembers: n/a.



---

Sue Beckmeyer, Mayor

ATTEST:



---

Sarah Coffey, City Clerk

APPROVED AS TO FORM:



---

Michelle Kenyon, City Attorney

## **APPENDIX A**

### **Government Code Section 5852.1 Disclosure**

The following information consists of estimates that have been provided in good faith by the municipal advisor to the City:

- (A) True interest cost of the Lease Payments: 1.97%
- (B) Finance charge related to the Lease (sum of all costs of issuance and fees/charges paid to third parties): \$67,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$3,933,000
- (D) Total payment amount through maturity: \$4,739,803









# EXPEDITE - For Signature: ResolutionNo76-2021\_CityCouncil\_LeaseFinancing\_CivicCenterCampus\_Approved

Final Audit Report

2021-11-29

|                 |  |
|-----------------|--|
| Created:        | 2021-11-24                                   |
| By:             | Sarah Coffey (scoffey@pacifica.gov)          |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAA5_OXV-mIOqUsKb8hR6mW1nm_Atd0clg2 |

## "EXPEDITE - For Signature: ResolutionNo76-2021\_CityCouncil\_LeaseFinancing\_CivicCenterCampus\_Approved" History

-  Document created by Sarah Coffey (scoffey@pacifica.gov)  
2021-11-24 - 6:01:11 PM GMT
-  Document emailed to Sue Beckmeyer (beckmeyers@ci.pacifica.ca.us) for signature  
2021-11-24 - 6:01:48 PM GMT
-  Email viewed by Sue Beckmeyer (beckmeyers@ci.pacifica.ca.us)  
2021-11-25 - 1:05:30 AM GMT
-  Document e-signed by Sue Beckmeyer (beckmeyers@ci.pacifica.ca.us)  
Signature Date: 2021-11-25 - 1:06:19 AM GMT - Time Source: server
-  Document emailed to Sarah Coffey (scoffey@pacifica.gov) for signature  
2021-11-25 - 1:06:21 AM GMT
-  Email viewed by Sarah Coffey (scoffey@pacifica.gov)  
2021-11-29 - 4:58:13 PM GMT
-  Document e-signed by Sarah Coffey (scoffey@pacifica.gov)  
Signature Date: 2021-11-29 - 4:58:20 PM GMT - Time Source: server
-  Agreement completed.  
2021-11-29 - 4:58:20 PM GMT