



Legislation Text

File #: Ord 2130, **Version:** 2

AN ORDINANCE AUTHORIZING THE LEASING OF CERTAIN CITY PROPERTY AND THE EXECUTION AND DELIVERY BY THE CITY OF A SITE LEASE, A LEASE PURCHASE AGREEMENT AND OTHER FINANCING DOCUMENTS IN CONNECTION THEREWITH; SETTING FORTH PARAMETERS AND RESTRICTIONS WITH RESPECT TO THE FINANCING; RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE REFERENCED TRANSACTIONS; AND PROVIDING OTHER MATTERS RELATING THERETO

Summary and Background Information :

On July 17 City Council passed on first reading Ordinance 2130 to raise the funds for the purchase of 4A water from SACWSD by entering into a lease-purchase arrangement using the Municipal Services Center as collateral for the Certificates of Participation (COPs). As the bond attorneys have continued examining all the financing documents they concluded that Section 4. (e) needed to be amended to read "the maximum annual amount of Base Rentals payable by the City pursuant to the Lease shall not exceed \$9,000,000 and the maximum total amount of Base Rentals payable by the City pursuant to the Lease shall not exceed 30,000,000." The reason for the change is to allow for a bullet maturity payment in the fifth year.

The ordinance as proposed to be amended is enclosed in the packet.

Staff Responsible (Department Head): Roger Tinklenberg

Staff Member Presenting : Roger Tinklenberg

Financial Impact : \$6.5 million financing over 20 years

Funding Source : Water Acquisition Fee Fund

Staff Recommendation : I move to amend Ordinance 2130 at Section 4, subparagraph "e" by striking "1.5 million" and replace with "9 million." After the amendment, Council can proceed to take action on the amended ordinance.

Suggested Motion : I move to approve ordinance 2130