



Police Facility Financing – Borrowing Ordinance

CITY COUNCIL – September 16, 2025

City Staff Representative:
Department:

Catrina Asher, Finance Director
Finance

Purpose

To request City Council's approval of a Borrowing Ordinance authorizing borrowing to finance the purchase and renovation of a property at 133 S. 27th Street for use as an additional Police Department location.

Background

One September 2nd, City Council approved two resolutions related to this transaction. The first approved the purchase of the property. The second allowed the City to reimburse ourselves using future borrowing proceeds.

Property and Project Recap

- Office Building located at 133 S. 27th Street
 - Built in 1985, renovated in 2018 with a new roof in 2021
 - 15,780 square feet (mix of office and storage space)
- Proposed Use
 - Public Safety Administration and Training Facility
- Proposed Financing
 - Certificates of Participation to cover cost of acquisition and remodel/retrofit

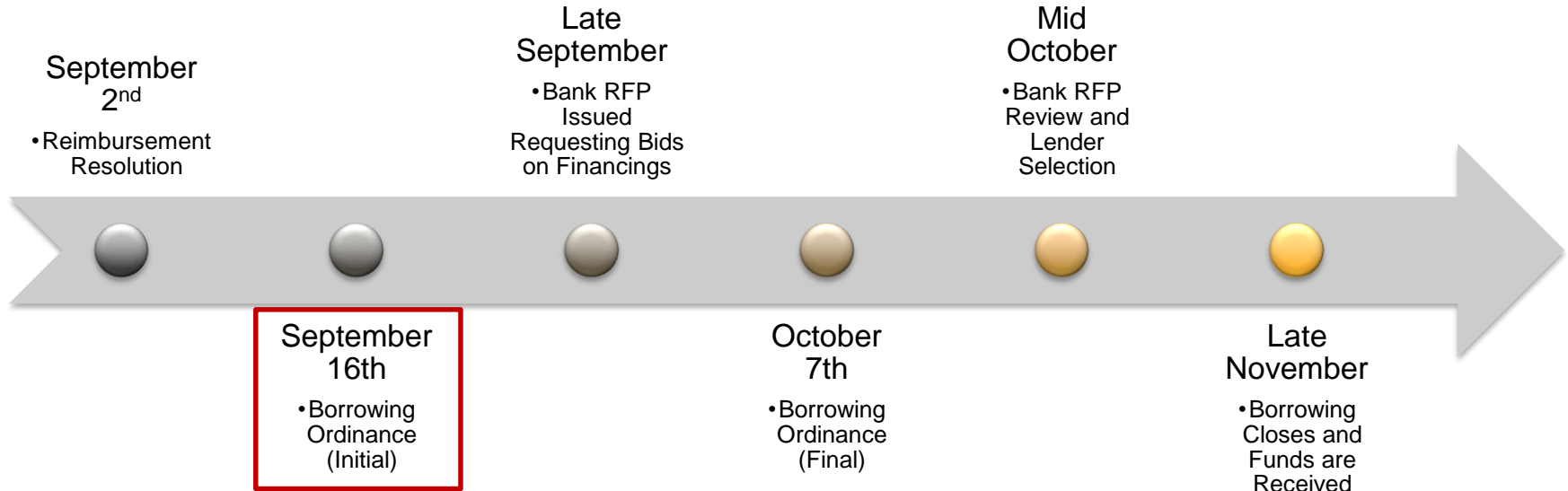


Form of Financing – Certificates of Participation

- A Lease-Purchase Agreement
 - Financing arrangement where investors buy a share of lease revenues of a project.
 - The financing is secured by a property owned by the City.
 - The City makes annual payments, similar to traditional debt service.
- Proposed Structure
 - Anticipated borrowing of \$6.2M with repayment over 15 years.
 - Repayment will be made from the Capital Projects Fund.
 - The newly acquired property (133 S. 27th Street) will serve as security for the loan.
 - Loan will be “direct placement” with a bidding process.

Proposed Borrowing Timeline

Borrowing is targeted to close November 2025 in the amount of \$6.2M.



Borrowing Ordinance Language



- Provides staff with the authority to complete the financing as proposed.
- Newly acquired property at 133 S. 27th Street will serve as security.
- Defines borrowing parameters:
 - Maximum financing = \$6.2M
 - Maximum interest rate = 5.25%
 - Maximum term = 15 years

Next Steps

- City Council
 - September 16th – Bond Ordinance (First Reading)
 - October 7th – Bond Ordinance (Second Reading)
- Staff & Partners
 - September – Issue banking RFP and receive proposals.
 - October – Review proposals and select banking partner.
 - November – Close on financing agreements and receive funds.

Staff Recommendation and Council Options

Staff Recommendation

- Approve the Ordinance as presented, allowing the City to pursue the financing as proposed in support of the purchase and renovation of the property discussed.

Council Options

- Approved the Ordinance as presented.
- Reject the Ordinance.
- Request additional information.