Property Acquisition Financing Reimbursement Resolution

CITY COUNCIL – September 2, 2025

City Staff Representatives: Catrina Asher, Director of Finance
Department: Finance

Purpose

To request Council approval of a Reimbursement Resolution related to a future issuance of certificates of participation to finance the purchase of a building to be used to support public safety services.

The Project

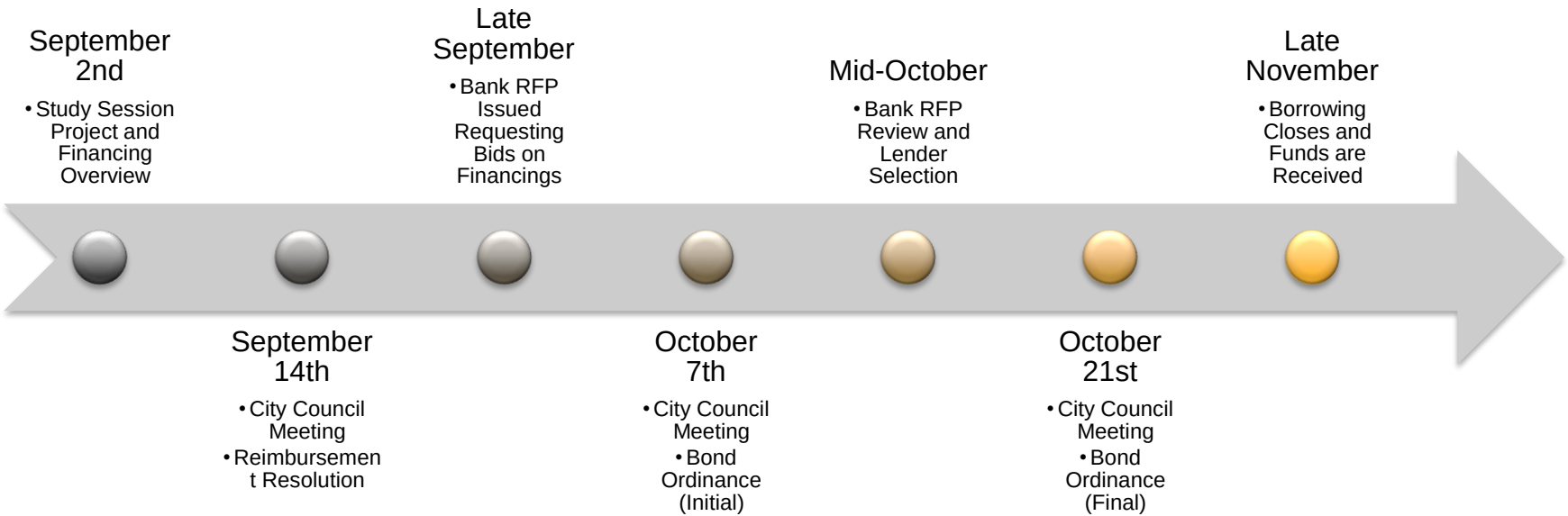
- Office Building located at 133 S. 27th Street
  - Built in 1985, renovated in 2018 with a new roof in 2021
  - 15,780 square feet (mix of office and storage space)
- Proposed Use
  - Public Safety Administration and Training Facility
- Proposed Financing
  - Certificates of Participation to cover cost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

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 $6M with repayment over 15 years.
    - Final terms will be included in a Borrowing Ordinance.
  - 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 $6M.



Reimbursement Resolution

- The first step in a borrowing process.
- Includes the highest amount the City may borrow and used for project reimbursement.
    - While borrowing is anticipated to be $6M, the resolution will list $7M to allow for refinement in the purchase prices and renovation costs, as well a costs associated with the borrowing.
- A statement that the City intends to utilize borrowing proceeds received in the future on project spending incurred between now and closing.
- Does not define the terms or parameters of a future borrowing issuance (this will be stated in a future Borrowing Ordinance).

Staff Recommendation and Council Options

Staff Recommendation

- Approve the resolution as presented, allowing the City to reimburse itself for the property acquisition using future borrowing proceeds.

Council Options

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