

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Stuart Schillinger, Administrative Services Director

Subject: Approval of documents for the sale of bonds to refund the 2005 City Hall Expansion Project Bonds

Date: October 16, 2014

Purpose:

To reduce the amount the General Fund pays for existing bonds.

Recommendation:

Adopt Resolution 2014-44
Adopt Resolution B/GVMIDFA 2014-02
Adopt Resolution BPFA 2014-01

Background:

In 2005 the City did a City Hall remodel project which included seismic retrofit, police department expansion and remodel, relocating and expansion of the Parks and Recreation Department to City Hall, and creation of the Community Meeting Room. The bonds sale used the Brisbane Public Financing Authority (BPFA) as the conduit financing mechanism. The City leased the Marina to the BPFA and the City leased the Marina back from the BPFA. This created a stream of payments which the BPFA could then use to pay bond holders of a lease revenue it sold. The City received the proceeds of the bond sale to make the necessary improvements and the City makes annual payments to the BPFA equal to the bond payments.

Discussion:

It has been 10 years since the bonds were sold and can be refinanced without penalty. Interest rates on a new 20 year bond are lower than the City would pay in interest on the existing bonds. The previous bonds ranged from 3.60% to 4.625% the new bonds are anticipated to have a range from 3.00% to 4.00%. The annual savings would average about \$13,000 a year. The term of the bonds will not be extended and the last payment will occur in 2035.

The Finance Subcommittee discussed this at their meeting on September 8th and directed staff to proceed with refinancing the bonds since it would save the City money without extending the length of the bond issue.

The City and the new B/GVMIDFA need to enter into new lease agreements for the Marina. The old Brisbane Public Financing Authority needs to terminate its existing lease agreement for the Marina for this purpose. The City will then enter into the same agreement with the new Financing Authority. Since the City has received its notice of compliance from the State and the Marina was turned over

from the Successor Agency to the City this an acceptable asset for the City to use to receive the best financing rates available.

Fiscal Impact:

Refinancing the 2005 Series B Bonds will save the City approximately \$13,000 a year.

Measure of Success

The City's General Fund saves money.

Attachments:

Resolution No. 2014-44: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE, CALIFORNIA, APPROVING PROCEEDINGS BY THE BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY FOR THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO REFUND THE OUTSTANDING BRISBANE PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2005B (CITY HALL RENOVATION AND EXPANSION PROJECT), APPROVING THE FORM AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS AND APPROVING OFFICIAL ACTIONS

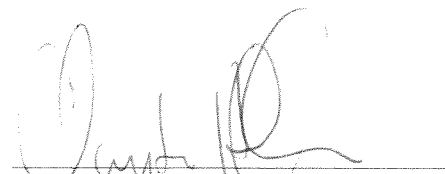
Resolution No. BGVMI DFA 2014-02: RESOLUTION OF THE BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO REFUND THE OUTSTANDING BRISBANE PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2005B (CITY HALL RENOVATION AND EXPANSION PROJECT), APPROVING THE FORM AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS AND APPROVING OFFICIAL ACTIONS

Resolution No. BPFA 2014-01: RESOLUTION OF THE BOARD OF DIRECTORS OF THE BRISBANE PUBLIC FINANCING AUTHORITY REALTING TO THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO REFUND THE OUTSTANDING BRISBANE PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2005B (CITY HALL RENOVATION AND EXPANSION PROJECT), APPROVING THE FORM AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS AND APPROVING OFFICIAL ACTIONS

Documents referred to in Resolutions are available in the City Clerk's Office

1. Notice of Intention;
2. Notice of Sale;
3. Site and Facility Lease;
4. Lease Agreement;
5. Indenture;
6. Escrow Agreement;
7. Termination Agreement; and
8. Preliminary Official Statement.


Stuart Schillinger
Administrative Services Director


Clay Holstine
City Manager