



Community Redevelopment Agency of Atascadero

Staff Report – Treasurer

Historic City Hall Update - Bonds

RECOMMENDATION:

Board adopt the Draft Resolution approving the form and authorizing execution of a reimbursement agreement and approving related documents and official actions.

DISCUSSION:

The City of Atascadero, working together with the Atascadero Public Financing Authority (Authority), is preparing to issue up to \$18,000,000 in bonds to finance the City's portion of the rehabilitation of Historic City Hall and other projects (collectively, "Project").

The Agency has the opportunity at this time to provide for the reimbursement from the Agency's tax increment revenues to the City for amounts paid from the City's General Fund.

To move forward, the Agency is asked to adopt the attached Draft Resolution approving the financing activities, which specifically includes the following:

1. Approval of the reimbursement agreement by and between the City and the Agency;
2. Authorization of the official actions; and
3. Authorization of the resolution to take effect immediately.

In order to provide for the repayment of the bonds, the Authority will lease six properties to the City pursuant to a lease agreement under which the City will make payments to the Authority from the General Fund. The Agency can then reimburse the City for amounts paid. Ordinarily, the Agency would not be legally able to help the City pay any costs to restore City Hall, but because the 2003 San Simeon Earthquake was declared

a natural disaster by the President of the United States, the Agency is able to financially assist the City with these costs to rehabilitate the City Hall.

The City Council, at its May 11, 2010 regular meeting, authorized the City Manager to execute contracts with Piper Jaffray for bond underwriting and Quint & Thimmig for bond counsel. Mark Curran will represent Piper Jaffray and Brian Quint will represent Quint & Thimmig.

FISCAL IMPACT:

Annual reimbursements are expected to range between \$800,000 and \$2,000,000.

ATTACHMENTS:

1. [Draft Resolution approving the form and authorizing execution of a reimbursement agreement and approving related documents and official actions](#)
2. [Reimbursement Agreement](#)
3. [Preliminary Official Statement](#)