



# CITY *of* BRISBANE

## Fiscal and Administrative Policies Subcommittee Agenda

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**Monday, April 3<sup>rd</sup>, 2023 at 2:00PM • Hybrid Meeting**  
**Brisbane City Hall 50 Park Place, Brisbane, CA**

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The public may observe/participate in the Subcommittee meetings by using remote public comment options or attending in person. Subcommittee members shall attend in person unless remote participation is permitted by law. The Subcommittee may take action on any item listed in the agenda.

### **JOIN IN PERSON**

Location: 50 Park Place, Brisbane, CA 94005 - [Large Conference Room](#)

Masks are no longer required but are highly recommended in accordance with California Department of Health Guidelines. To maintain public health and safety, please do not attend in person if you are experiencing symptoms associated with COVID-19 or respiratory illness.

### **JOIN VIRTUALLY**

Join Zoom Webinar (please use the latest version: [zoom.us/download](https://zoom.us/download)):

<https://us06web.zoom.us/j/86362976740?pwd=aUJoSmhNbHhFHbHhZQTFXaEdVSjdOZz09>

Meeting ID: 863 6297 6740

Passcode: 123456

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### **TO ADDRESS THE SUBCOMMITTEE**

#### **IN PERSON PARTICIPATION**

To address the Subcommittee on any item on or not on the posted agenda, please wait until Public Comments are being accepted.

#### **REMOTE PARTICIPATION**

Members of the public may observe/participate in the Committee meeting by logging into the Zoom Webinar. Aside from commenting while in the Zoom meeting, the following email line will be monitored during the meeting, and public comments received will be noted for the record during Public Comment or during an Item.

Email: [aibarra@brisbaneca.org](mailto:aibarra@brisbaneca.org)

#### **SPECIAL ASSISTANCE**

If you need special assistance to participate in this meeting, please contact Angel Ibarra at (415) 508-2109. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**SUBCOMMITTEE MEMBERS:**

Mayor Pro-tem O'Connell, Councilmember Cunningham

**ROLL CALL**

- A. Consider any request of a City Councilmember to attend the meeting remotely under the "Emergency Circumstances" of AB 2449

**PRESENTATIONS AND DISCUSSION ITEMS**

- B. Consider Funding Options for City Hall Annex located at 25 Park Place, Brisbane

**PUBLIC COMMENT****ADJOURNMENT**

**File Attachments for Item:**

B. Consider Funding Options for City Hall Annex located at 25 Park Place, Brisbane



## CITY COUNCIL FISCAL AND ADMINISTRATIVE POLICIES SUBCOMMITTEE AGENDA REPORT

**Meeting Date:** 4/3/2023

**From:** Carolina Yuen, Finance Director

**Subject:** Review Financing for City Hall Annex Improvements

### **Community Goal/Result**

Fiscally Prudent

Community Building

### **Purpose**

Discuss whether the City should enter into a financing arrangement to cover costs to improve the City Hall Annex.

### **Recommendation**

To proceed with steps necessary to secure financing to cover the costs associated with improvements needed to inhabit the City Hall Annex at 25 Park Place.

### **Background**

In July 2021, the City entered into a 10 year lease for the property located at 25 Park Place in order to serve better the community and in anticipation of the need for additional space for staff due to the potential development of the Baylands. In February 2023, the City amended the lease to extend the term an additional 15 years in order to obtain financing to cover the necessary tenant improvements.

Estimates of construction costs to improve the property range are currently been presented at \$4.6 million including a 20% cushion to cover unexpected change orders and the cost of construction management. The architect's contract was for approximately \$400,000.

### **Discussion**

City staff and the City's Financial Advisor have started to explore financing options considering municipal bond rates are declining over the past month after sharp increases in 2022. The target is to keep the annual payment structure comparable to existing requirements considering we have a Pension Obligation Bond due in 2023 and the City Hall Remodel Refunding due to be paid off in 2029. Proposed payments are structured to commence in FY2024.

The amount currently being sought is \$5.5 million to cover the estimated design and construction costs to improve the property, plus additional \$500,000 to cover moving, furnishing, and any unexpected costs.

The initial proposal will require the City to pay a range of \$187,500 to \$245,000 per year in interest in the first five years, and a total of \$2,910,000 over the 20 year term.

City properties, primarily Mission Blue, are being reviewed to serve as collateral. It is possible that we will need to bundle properties to satisfy the financing requirements.

If the City Council chooses not to borrow the \$5.5 million, the City would need to instead pay cash from the General Fund and reduce the amount of cash available to meet other needs. As discussed when the FY23 budget was adopted, the City is using reserves to cover costs for FY22 and FY23 with a plan to pay back over time to comply with our Fund Balance Policy. Spending cash instead of borrowing may risk us not having funds accessible if there is an emergency or to cover lost revenues. Reducing the City's cash balance would also reduce the amount of interest the City could earn from existing investments.

### **Fiscal Impact**

With current bond rates, the additional annual debt service payment is expected to range from \$287,500 to \$435,000 over the next 20 years.

### **Measure of Success**

The City and staff are able to enjoy the use of the City Hall Annex property to benefit the community.

### **Attachments**

1. Preliminary Financing Schedules

*Carolina Yuen*

Carolina Yuen, Finance Director

*Clayton L. Holstine*

Clay Holstine, City Manager

**Brisbane/GVMID Financing Authority  
Lease Revenue Bonds, Series 2023**

**Sources & Uses of Funds**

**Issue Summary**

Dated Date	06/01/2023
Par Amount	\$5,500,000
Underwriter's Spread	1.250%
Total Costs as % of Par	3.968%
True Interest Cost	4.26236%
Bond Yield	3.78313%
Weighted Average Maturity	11.845 years

**Sources of Funds:**

Par Amount	\$5,500,000.00
Original Issue Premium	293,897.50
Housing Fund Cash	<u>0.00</u>
Total	\$5,793,897.50

**Uses of Funds:**

Project Fund	\$5,575,647.50
Net Underwriting	68,750.00
Insurance	0.00
Issuance Costs	<u>149,500.00</u>
Total	\$5,793,897.50

**Brisbane/GVMID Financing Authority  
Lease Revenue Bonds, Series 2023**

**Debt Service Schedule**

<b>Date</b>	<b>Principal</b>	<b>Rate</b>	<b>Interest</b>	<b>Semi-Annual Debt Service</b>	<b>Annual Debt Service</b>
06/01/2023					
09/01/2023			\$62,500.00	\$62,500.00	
03/01/2024	100,000	5.000%	125,000.00	225,000.00	\$287,500.00
09/01/2024			122,500.00	122,500.00	
03/01/2025	100,000	5.000%	122,500.00	222,500.00	345,000.00
09/01/2025			120,000.00	120,000.00	
03/01/2026	190,000	5.000%	120,000.00	310,000.00	430,000.00
09/01/2026			115,250.00	115,250.00	
03/01/2027	200,000	5.000%	115,250.00	315,250.00	430,500.00
09/01/2027			110,250.00	110,250.00	
03/01/2028	210,000	5.000%	110,250.00	320,250.00	430,500.00
09/01/2028			105,000.00	105,000.00	
03/01/2029	220,000	5.000%	105,000.00	325,000.00	430,000.00
09/01/2029			99,500.00	99,500.00	
03/01/2030	235,000	5.000%	99,500.00	334,500.00	434,000.00
09/01/2030			93,625.00	93,625.00	
03/01/2031	245,000	5.000%	93,625.00	338,625.00	432,250.00
09/01/2031			87,500.00	87,500.00	
03/01/2032	255,000	5.000%	87,500.00	342,500.00	430,000.00
09/01/2032			81,125.00	81,125.00	
03/01/2033	270,000	5.000%	81,125.00	351,125.00	432,250.00
09/01/2033			74,375.00	74,375.00	
03/01/2034	285,000	5.000%	74,375.00	359,375.00	433,750.00
09/01/2034			67,250.00	67,250.00	
03/01/2035	300,000	5.000%	67,250.00	367,250.00	434,500.00
09/01/2035			59,750.00	59,750.00	
03/01/2036	315,000	4.000%	59,750.00	374,750.00	434,500.00
09/01/2036			53,450.00	53,450.00	
03/01/2037	325,000	4.000%	53,450.00	378,450.00	431,900.00
09/01/2037			46,950.00	46,950.00	
03/01/2038	340,000	4.000%	46,950.00	386,950.00	433,900.00
09/01/2038			40,150.00	40,150.00	
03/01/2039	350,000	4.000%	40,150.00	390,150.00	430,300.00
09/01/2039			33,150.00	33,150.00	
03/01/2040	365,000	4.250%	33,150.00	398,150.00	431,300.00
09/01/2040			25,393.75	25,393.75	
03/01/2041	380,000	4.250%	25,393.75	405,393.75	430,787.50
09/01/2041			17,318.75	17,318.75	
03/01/2042	400,000	4.250%	17,318.75	417,318.75	434,637.50
09/01/2042			8,818.75	8,818.75	
03/01/2043	415,000	4.250%	8,818.75	423,818.75	432,637.50
	\$5,500,000		\$2,910,212.50	\$8,410,212.50	\$8,410,212.50

**Brisbane/GVMID Financing Authority  
Lease Revenue Bonds, Series 2023**

**Pricing Schedule**

Call Date: 03/01/2031

Call Price: 100

Date	Principal	Coupon	Yield	Price	Prem/(Disc)	Production
06/01/2023						
03/01/2024	\$100,000.00	5.000%	3.210%	101.311	\$1,311.00	\$101,311.00
03/01/2025	100,000.00	5.000%	3.100%	103.207	3,207.00	103,207.00
03/01/2026	190,000.00	5.000%	2.960%	105.345	10,155.50	200,155.50
03/01/2027	200,000.00	5.000%	2.870%	107.517	15,034.00	215,034.00
03/01/2028	210,000.00	5.000%	2.840%	109.530	20,013.00	230,013.00
03/01/2029	220,000.00	5.000%	2.830%	111.436	25,159.20	245,159.20
03/01/2030	235,000.00	5.000%	2.830%	113.244	31,123.40	266,123.40
03/01/2031	245,000.00	5.000%	2.870%	114.702	36,019.90	281,019.90
03/01/2032	255,000.00	5.000%	2.910%	114.403 *	36,727.65	291,727.65
03/01/2033	270,000.00	5.000%	2.940%	114.179 *	38,283.30	308,283.30
03/01/2034	285,000.00	5.000%	3.050%	113.364 *	38,087.40	323,087.40
03/01/2035	300,000.00	5.000%	3.190%	112.336 *	37,008.00	337,008.00
03/01/2036	315,000.00	4.000%	3.700%	102.000 *	6,300.00	321,300.00
03/01/2037	325,000.00	4.000%	3.880%	100.791 *	2,570.75	327,570.75
03/01/2038	340,000.00	4.000%	3.990%	100.061 *	207.40	340,207.40
03/01/2039	350,000.00	4.000%	4.050%	99.416	(2,044.00)	347,956.00
03/01/2040	365,000.00	4.250%	4.220%	100.191 *	697.15	365,697.15
03/01/2041	380,000.00	4.250%	4.250%	100.000	0.00	380,000.00
03/01/2042	400,000.00	4.250%	4.280%	99.610	(1,560.00)	398,440.00
03/01/2043	415,000.00	4.250%	4.330%	98.939	(4,403.15)	410,596.85

\$5,500,000.00	Par Amount	\$293,897.50	\$5,793,897.50
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225,147.50 + Premium Bid

5,725,147.50 = Amount Bid

68,750.00 + Gross Underwriter's Spread

\$5,793,897.50 = Price to Public

\* Priced to first call date



**Brisbane/GVMID Financing Authority  
Lease Revenue Bonds, Series 2023**

**Combined General Fund Debt Service**

<b>Fiscal Year</b>	<b>Outstanding 2017 Bonds</b>	<b>Outstanding 2022 Bonds</b>	<b>Total Outstanding</b>	<b>Proposed 2023 Bonds</b>			<b>Total Debt Service</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2023	152,901	132,619	285,520				285,520
2024	157,006	212,342	369,348	100,000	187,500	287,500	656,848
2025	153,956	214,618	368,574	100,000	245,000	345,000	713,574
2026	155,906	213,131	369,038	190,000	240,000	430,000	799,038
2027	156,746	211,629	368,375	200,000	230,500	430,500	798,875
2028	151,497	217,387	368,884	210,000	220,500	430,500	799,384
2029	152,293	216,218	368,511	220,000	210,000	430,000	798,511
2030		368,101	368,101	235,000	199,000	434,000	802,101
2031		368,107	368,107	245,000	187,250	432,250	800,357
2032		368,142	368,142	255,000	175,000	430,000	798,142
2033		368,338	368,338	270,000	162,250	432,250	800,588
2034		368,515	368,515	285,000	148,750	433,750	802,265
2035		368,415	368,415	300,000	134,500	434,500	802,915
2036		368,198	368,198	315,000	119,500	434,500	802,698
2037		368,307	368,307	325,000	106,900	431,900	800,207
2038		368,281	368,281	340,000	93,900	433,900	802,181
2039		367,931	367,931	350,000	80,300	430,300	798,231
2040		368,333	368,333	365,000	66,300	431,300	799,633
2041		368,206	368,206	380,000	50,788	430,788	798,993
2042		368,799	368,799	400,000	34,638	434,638	803,437
	1,080,306	6,205,616	7,285,922	5,085,000	2,892,575	7,977,575	15,263,497

**\$5,500,000 (estimated)**  
**Brisbane/Guadalupe Valley Municipal Improvement District**  
**Financing Authority (San Mateo County, California)**  
**Lease Revenue Bonds**  
**Series 2023**  
**(25 Park Place Improvements)**



**Tentative Financing Schedule**

<b>Date</b>	<b>Activity</b>	<b>Participants</b>
Tuesday, 03/28/23	Draft legal documents distributed	BC
Monday, 04/03/23	Council Subcommittee Meeting <i>Location: City Hall Time: 2:00 p.m.</i>	All
Monday, 04/10/23	Distribute draft Preliminary Official Statement	DC
Monday, 04/17/23	Document review meeting <i>Location: TBD Time: [2:00 p.m.]</i>	All
Thursday, 04/20/23	Council/JPA Meeting to set regular meeting dates <i>Location: City Hall Time: 7:30 p.m.</i>	BRIS
Friday, 04/21/23	Distribute revised legal documents and POS	BC
Thursday, 04/27/23	Document review meeting <i>Location: TBD Time: [2:00 p.m.]</i>	All
Tuesday, 05/02/23	Final legal documents and POS distributed	BC
Tuesday, 05/09/23	Put bond documents on file with City/ Authority by 5:00 p.m.	BC
Wednesday, 05/10/23	Agenda deadline for May 18 <sup>th</sup> Council Meeting	
Wednesday, 05/10/23	Rating Agency Presentation <i>Location: TBD Time: TBD</i>	All
Thursday, 05/11/23	Publish Notice of Public Hearing	BC
Tuesday, 05/16/23	Publish notice of intention	BRIS, BC
Wednesday, 05/17/23	Receive rating	MA
Thursday, 05/18/23	Public Hearing City Council and Authority approve bond documents <i>Location: City Hall Time: 7:30 pm</i>	All
Friday, 05/19/23	Post POS	DC
Wednesday, 05/31/23	Bond Sale <i>Location: City Hall Time: 8:30 a.m.</i>	BRIS, MA, BC
Thursday, 06/01/23	Distribute draft Official Statement	DC
Friday, 06/02/23	Distribute closing memo	MA
Monday, 06/05/23	Comments due on Official Statement	All
Tuesday, 06/06/23	Post Official Statement	DC
Wednesday, 06/14/23	Bond Pre-closing	All
Thursday, 06/15/23	Bond Closing	All

Participants Key

BRIS = City of Brisbane, Issuer

BC/DC = Quint & Thimmig, Bond/Disclosure Counsel

MA = JNA Consulting Group LLC, Municipal Advisor