

RESOLUTION NO. RES-2022-244

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING THE ACQUISITION OF 3012 DUTTON MEADOW (APN 043-122-007) , APPROVING THE DEMOLITION OF ANY STRUCTURES THEREON, APPROVING A FUND-TO-FUND LOAN FROM THE WATER OPERATIONS FUND TO THE STORM WATER CREEK RESTORATION FUND FOR FINANCING A PORTION OF THE PURCHASE, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE ACQUISITION AND APPROPRIATION OF UP TO \$960,000 FOR PAYMENT OF THE FUND TO-FUND LOAN

WHEREAS, the City seeks to acquire 3012 Dutton Meadow, APN 043-122-007 (the “Property”) in order to construct the Lower Colgan Creek Restoration Project- Phase 3 and the Lower Colgan Creek Neighborhood Park; and

WHEREAS, on June 12, 2022, in closed session, City Council gave staff direction on price and terms for the purchase of the Property and the funding of same by and between Parks and Storm Water and Creeks; and

WHEREAS, staff has negotiated a purchase agreement with the owners of the Property for Two Million Two Hundred Ninety Thousand Dollars (\$2,290,000) plus closing costs within the approved price and terms provided by City Council and seeks City Council approval necessary for the acquisition of the Property as well as for a fund-to-fund loan to help finance a portion of the acquisition by Storm Water and Creeks; and

WHEREAS, the purchase of the Property and closing costs will be allocated between Parks and Storm Water and Creeks, 59% and 41% respectively; and

WHEREAS, Parks will use funds from JL Key 09566, Southwest Community Park for its portion of the acquisition costs, while Storm Water and Creeks does not have immediate funds available for the purchase of the Property and has expressed interest in obtaining a fund-to-fund loan from the Water Operations Fund for its portion of the acquisition costs; and

WHEREAS, the Water Operations Fund has undesignated fund balances to loan to the Storm Water Creek Restoration Fund in the sum of up to \$960,000 for the purchase of the Property and associated acquisition costs; and

WHEREAS, such available funds are currently invested earning interest in the City’s investment fund at an average rate of interest of 1.57% which includes all asset classes in the City’s investment portfolio; and

WHEREAS, this interest rate is based on the most recent yield to maturity at market in the City’s investment fund, representing an average of the individual securities yields at market, and the most current opportunity cost; and

WHEREAS, such available funds are projected to remain available during the term of the proposed loan; and

WHEREAS, the Storm Water Creek Restoration Fund has agreed to pay an interest rate of 4.72% per annum and the funds will accrue simple interest from the date the funds are received by the Storm Water Creek Restoration Fund and will be amortized over ten (10) years with an annual payment due beginning December 13, 2023, with no prepayment penalty; and

WHEREAS, the Water Operations Fund benefits from the loan by being able to earn a reasonable rate on undesignated funds that is higher than average from the City's investment fund rate; and

WHEREAS, the Storm Water Creek Restoration Fund benefits from the loan because the funds will allow for Storm Water and Creeks to pay for its allocated portion of the purchase price of the Property for Phase 3 of the Lower Colgan Creek Restoration Project.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa approves the acquisition of the Property subject to all contract contingencies and the demolition of any of the structures located thereon as the City Manager deems necessary.

BE IT FURTHER RESOLVED that the Council approves a fund-to-fund loan from the Water Operations Fund to the Storm Water Creek Restoration Fund for Storm Water and Creek's allocated share of the purchase of the Property and associated acquisition costs.

BE IT FURTHER RESOLVED that the Council authorizes the City Manager or designee to execute all documents necessary to complete the acquisition.

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BE IT FURTHER RESOLVED that the Council authorizes the Chief Financial Officer to appropriate up to \$960,000 from the Water Operations Fund, 001611 to the Storm Water Creek Restoration Fund 001672, JL 54030, based on its allocated share of the actual purchase price and expenses at close of escrow, and further authorizes and directs the Chief Financial Officer to make regular annual payments of principal and interest on the fund-to-fund loan from the Water Operations Fund 001611 to the Storm Water Creek Restoration Fund 001672 until the fund-to-fund loan and any accrued interest thereon has been paid in full.

IN COUNCIL DULY PASSED this 13th day of December, 2022.

AYES: (7) Mayor C. Rogers, Vice Mayor Alvarez, Council Members Fleming, MacDonald, N. Rogers, Sawyer, Schwedhelm

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM: _____
City Attorney