



Legislation Text

File #: 24-0513, Version: 1

REQUEST FOR CITY COUNCIL ACTION

DATE: 07/03/2024

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

CITY COUNCIL CONSIDERATION OF RESOLUTION NO. 2024-075, DECLARING ITS INTENT TO REIMBURSE EXPENDITURES RELATING TO THE CONSTRUCTION OF PUBLIC IMPROVEMENTS FOR THE DOWNTOWN REVITALIZATION PROJECT FROM THE PROCEEDS OF THE SALE OF TAX-EXEMPT BONDS

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a resolution declaring its intent to reimburse itself for expenditures relating to the Downtown Revitalization Project from the proceeds of the sale of tax-exempt bonds.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2024-075, declaring its intent to reimburse expenditures related to the construction of public improvements for the Downtown Revitalization Project from the proceeds of the sale of tax-exempt bonds.

BACKGROUND & HISTORY:

City staff has been working on the Downtown Revitalization Project, which includes multiple projects along Sixth Street, the Historic Civic Center renovation, and the revitalization of the City Park. Staff presented on this project to the City Council at the March 6, 2024, Study Session. The presentation included an overview of all the project components, including the funding plan. The project has an estimated total cost of \$200 million, with offsets totaling approximately \$86 million. The project funding plan includes bond financing of \$114 million to \$125 million.

The City Park Renovation is a significant component of the Downtown Revitalization Project. In June 2022, the City of Corona embarked on an approximate 18-month endeavor to create a master plan to revitalize City Park. Marketing and outreach efforts were conducted with the Corona community to identify what facilities and functions the community desires in the park. Over 2,100 survey

responses were collected, representing a wide range of respondents citywide. The data collected through the outreach process formed the development of the City Park Master Plan, which the City Council adopted on July 19, 2023.

The Downtown Revitalization Project combines multiple projects along Sixth Street, the renovation of the Historic Civic Center, and the revitalization of City Park. At the March 6, 2024, Study Session, the City Council directed staff to continue work on the Downtown Revitalization Project. The project funding plan includes bond financing of \$114 million to \$125 million. The City Council will consider approving a tax-exempt bond sale at a Council Meeting in late 2024 or early 2025.

ANALYSIS:

On November 15, 2023, the City Council approved an agreement with Rios, Inc (Rios). for architectural and design services for the City Park Revitalization Project. Rios. was selected through a competitive Request for Proposals (RFP) process. The park's design is based on the adopted City Park Master Plan. The contract award and expenditures with Rios have already started before issuing tax-exempt bonds.

Section 1.150-2(d) of the Regulations of the United States Department of the Treasury ("Regulations") permits reimbursement from the proceeds of tax-exempt bonds of the amounts advanced and expended for the project if not later than 60 days after the date of the first expenditure, the City Council adopts an official intent to reimburse itself for the expenditure and such reimbursement occurs not later than 18 months after the later of the date of payment of such expenditures or the date the Facilities are placed in service, but in no event more than three (3) years after the date of such expenditures.

The attached resolution expresses the City Council's official intent to reimburse itself for amounts expended on the Downtown Revitalization Project from the proceeds of any tax-exempt bonds that may be issued and sold. Should the City decide not to proceed with the sale of bonds, any project expenditure incurred will be funded through the City's existing and future budgets appropriated for the project.

FINANCIAL IMPACT:

Approval of the recommended action will authorize the reimbursement of certain expenditures from the sale of tax-exempt bonds. The City Council will consider a tax-exempt bond sale during Fiscal Year 2025, tentatively late 2024 or early 2025.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely approves a reimbursement resolution from tax-

exempt bonds and there is no possibility that adopting the resolution will have a significant effect on the environment. Therefore, no environment analysis is required.

PREPARED BY: KIM SITTON, FINANCE DIRECTOR

REVIEWED BY: BRETT CHANNING, ASSISTANT CITY MANAGER

Attachments:

1. Exhibit 1 - Resolution No. 2024-075