

DRAFT RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF ATASCADERO OF A GROUND LEASE, LEASE AGREEMENT, INDENTURE, AND BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF ATASCADERO FINANCING AUTHORITY LEASE REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$33,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

The City Council of the City of Atascadero (hereafter referred to as “City Council”) hereby finds, determines, resolves and orders as follows:

WHEREAS, the City of Atascadero, California (the “City”) is a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Atascadero Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing pursuant to the laws of the State of California and that certain Joint Exercise of Powers Agreement between the City and the Atascadero Industrial Development Authority (the “Joint Powers Agreement”); and

WHEREAS, pursuant to the Joint Powers Agreement and Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to lease and sublease lands, structures, real or personal property, and other interests in lands that are located within the State of California that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof; and

WHEREAS, the City and the Authority desire to finance all or a portion of the costs of the design, acquisition, construction and/or installation of certain public capital improvements to be located in the City, including some or all of the following: the demolition of Fire Station No. 1, the reconstruction of Fire Station No. 1, the renovation of Fire Station No. 2, and the renovation of the Police Department headquarters building (collectively, the “Project”); and

WHEREAS, the City is a member of the Authority and the Project is located within the boundaries of the City; and

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at 6500 Palma Ave, Atascadero, California 93422 on September 23, 2025; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the New Times, an adjudicated local newspaper of general circulation in the City; and

WHEREAS, the Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Atascadero Financing Authority Lease Revenue Bonds, Series 2025A” (the “Bonds”) for the purpose of (i) financing all or a portion of the Project, and (ii) paying costs of issuance of the Bonds; and

WHEREAS, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property, which real property shall initially consist of City Hall, Fire Station 1, Fire Station 2, and the Police Department headquarters, or other City-owned properties, as determined by the City Manager or his authorized designees (collectively, the “Leased Assets”) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which will be pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “Indenture”); and

WHEREAS, the Authority will issue the Bonds pursuant to the Act; and

WHEREAS, the City Council of the City previously adopted a Debt Management Policy that complies with Government Code Section 8855(i) (the “Debt Management Policy”), and the obligations under the Lease Agreement as contemplated by this Resolution comply with the Debt Management Policy; and

WHEREAS, the City and the Authority desire to provide for the negotiated sale of the Bonds; and

WHEREAS, the City and the Authority have selected Piper Sandler & Co. to act as underwriter (the “Underwriter”) and to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the underwriter thereof must have reasonably determined that the City has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the City desires to execute and deliver a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”); and

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) has been prepared; and

WHEREAS, good faith estimates of certain information relating to the Bonds are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by Urban Futures, Inc. (the “Municipal Advisor”) based on preliminary bond pricing information provided by the Underwriter; and

WHEREAS, the City Council has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Atascadero as follows:

SECTION 1. Each of the above recitals is true and correct. Following a duly noticed public hearing, the City Council hereby approves the financing of the Project described in this Resolution and further finds and determines that there are significant public benefits to the citizens of the City through the issuance of the Bonds and execution and delivery of the Ground Lease and Lease Agreement pursuant to the Act and otherwise hereunder within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the delivery of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and enable the City to undertake the Project on a timely basis, and provide a more efficient delivery of public services to the community.

SECTION 2. The forms of the Ground Lease and Lease Agreement, on file with the City Clerk, are hereby approved, and the Mayor, the Mayor Pro Tem, the City Manager, the City Treasurer and Administrative Services Director, and the City Clerk, and each of their authorized designees (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Ground Lease and Lease Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Ground Lease and Lease Agreement shall terminate no later than May 1, 2056 (provided that such term may be extended as provided therein) and the true interest cost applicable to the Bonds shall not exceed 5.75% per annum. In the event that it is determined by the City Manager, or his designee, that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the Leased Assets as contemplated by the Ground Lease and Lease Agreement or that other City-owned property would be more appropriate to use as Leased Assets under the Ground Lease and the Lease Agreement, the City Manager, or his designee, is hereby expressly authorized to designate other or additional real property of the City to be leased or subleased pursuant to the Ground Lease and Lease Agreement, with such designation to be conclusively evidenced by the execution and delivery of the Ground Lease and Lease Agreement by an Authorized Officer.

SECTION 3. The form of Indenture, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$33,000,000, the final maturity date of the Bonds shall be no later than May 1, 2056 and the true interest cost applicable to the Bonds shall not exceed 5.75% per annum, and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement.

SECTION 4. The Bond Purchase Agreement, on file with the City Clerk, is hereby approved and the Authorized Officers are each hereby authorized and directed, for and in the name of the City, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter’s discount (not including any original issue discount paid by the Underwriter) from the principal amount of the Bonds in excess of 0.65% of the aggregate principal amount of the Bonds.

SECTION 5. The issuance by the Authority of not to exceed \$33,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

SECTION 6. The form of Preliminary Official Statement, on file with the City Clerk, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds a reasonable number of copies of the Preliminary Official Statement.

SECTION 7. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the City.

SECTION 8. The form of Continuing Disclosure Certificate, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. The Policy for Disclosure Procedures, on file with the City Clerk, is hereby approved.

SECTION 10. Stradling Yocca Carlson & Rauth LLP, is hereby approved and appointed as Bond and Disclosure Counsel, Urban Futures, Inc., is hereby approved and appointed as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, each to provide such services to the City and any other related services as may be required to issue the Bonds.

SECTION 11. With the passage of this Resolution, the City hereby confirms that it has adopted a Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the City's financing described in this Resolution and its obligations under the Lease Agreement as contemplated by this Resolution is in compliance with the Debt Management Policy, and to the extent the sale and issuance of the

Bonds and the execution and delivery of the Lease Agreement is not in compliance with the City's Debt Management Policy, such noncompliance is waived in accordance with the terms of the City's Debt Management Policy. The City hereby instructs Stradling Yocca Carlson & Rauth LLP, as Bond Counsel, on behalf of the City, with respect to the Bonds described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the City, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

SECTION 12. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, taking such actions and executing such instruments as may be necessary or appropriate to remove encumbrances and clear title to City Hall, and any other properties of the City that the Authorized Officers deem appropriate for use as Leased Assets under the Ground Lease and the Lease Agreement. Anything to the contrary herein notwithstanding, in the event the Administrative Services Director determines in consultation with the Municipal Advisor that the cost-efficient marketing of the Bonds requires creation of a funded reserve under the Indenture, each of the Indenture, Lease Agreement and other documents approved herein may be revised to reflect the funding of such a reserve. Specifically and without limiting the foregoing, the Administrative Services Director is authorized and directed to (a) solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the Bonds, provided she determines acceptance of the best bid will result in lower overall debt service or lower interest cost, and appropriate changes to each of the documents referenced herein to evidence such bond insurance and the terms thereof, are hereby authorized and approved, and (b) solicit and enter into one or more investment contracts with respect to the proceeds of the Bonds. All actions heretofore taken by the Authorized Officers and the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 13. The City Council hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 14. This Resolution will take effect from and after its date of adoption.

PASSED AND ADOPTED at a regular meeting of the City Council held on the 23rd day of September, 2025 .

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

CITY OF ATASCADERO:

Charles Bourbeau, Mayor

ATTEST:

Lara K. Christensen, City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by its Municipal Advisor, Urban Futures, Inc., in consultation with Piper Sandler & Co., the Underwriter of the Bonds, as of September 3, 2025.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is **\$29,050,000** (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **4.90%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is **\$812,838**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is **\$29,613,113**.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is **\$57,203,649**, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount) and further excludes future administrative costs such as trustee and continuing disclosure costs.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from

such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the City's financing plan, or a combination of such factors.