



**Watsonville**  
CALIFORNIA

## CITY COUNCIL AGENDA REPORT

**MEETING DATE:** Tuesday, June 10, 2025  
**TO:** CITY COUNCIL  
**RECOMMENDED BY:** ADMINISTRATIVE SERVICES DIRECTOR DURAN  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER  
**SUBJECT:** WATSONVILLE PUBLIC FINANCE AUTHORITY APPROVE/AUTHORIZE  
ISSUANCE OF LEASE REVENUE BONDS, SERIES 2025, IN AGGREGATE  
PRINCIPAL NOT TO EXCEED \$13,000,000 TO FINANCE PORTION OF  
RAMSAY PARK AND CITY PLAZA CAPITAL IMPROVEMENTS

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### RECOMMENDATION:

Sitting as the Watsonville Public Finance Authority Board of Directors, adopt a resolution of the Board of Directors of the Watsonville Public Finance Authority authorizing the execution and delivery by the Authority of a Ground Lease, Lease Agreement, Indenture, Assignment Agreement, and Bond Purchase Agreement in connection with the issuance of Watsonville Public Finance Authority Lease Revenue Bonds, Series 2025, authorizing the issuance of such bonds in an aggregate principal amount not to exceed \$13,000,000, 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.

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### DISCUSSION:

At the May 27, 2025 Council meeting, the City Council heard an item regarding issuance of lease revenue bonds to generate funds to be used for park renovations in the City of Watsonville. To effectuate the bond issuances, the City Council needed to adopt one resolution sitting as the City Council on behalf of the City, and another sitting as the Board of Directors (Board) on behalf of the Public Finance Authority (PFA).

Due to an inadvertent error by staff, the adoption of the resolution of the PFA was improperly noticed. Thus, while the Council action on May 27 was effective for the City resolution, the action was not effective as to the PFA resolution.

This item allows the Board to adopt the PFA resolution in support of issuing the proposed lease revenue bonds (see Attachment 3, “Authority Resolution”). All attachments to the original, May 27 item are attached here to for Council’s reference. Details of the transaction can be found in the May 27 staff report (Attachment 1).

## STRATEGIC PLAN:

The issuance of the 2025 Bonds is consistent with Strategic Plan Priority:  
2-Infrastructure & Environment

## FINANCIAL IMPACT:

Pursuant to Government Code Section 5852.1, good faith estimates (obtained from the underwriter and the municipal advisor) must be disclosed at a public meeting before the authorization of the 2025 Bonds. Required good faith estimates are provided in the applicable resolutions; the table below summarizes those estimates and includes additional information.

	<i><b>2025 Bonds</b></i>
Principal Amount:	\$11,375,000
Final Maturity:	May 1, 2035
True interest cost:	3.47%
Finance charge:	\$337,749
Amount of project proceeds received:	\$12,000,000
Average annual debt service:	\$1,485,201
Total debt service payment amount:	\$14,625,108

\* These are good faith estimates only and are based on market rates as of May 13, 2025. Final results will likely differ based on market conditions as of the actual sale date and other factors. However, for the financing to proceed, the not-to-exceed parameters described in the previous section must be met.

### **ALTERNATIVE ACTION:**

The Board of Directors could not approve the Resolution in which case the funding of the Projects would be delayed.

### **ATTACHMENTS AND/OR REFERENCES (IF ANY):**

1. May 27, 2025 Staff Report
2. City Council Resolution
3. Public Finance Authority Resolution
4. Form of Indenture
5. Form of Ground Lease
6. Form of Lease Agreement
7. Form of Assignment Agreement
8. Form of Bond Purchase Agreement
9. Preliminary Official Statement (with Form of the Continuing Disclosure Certificate Included as Appendix E)