



FINANCE COMMISSION AGENDA REPORT SUMMARY

Meeting Date: March 18, 2024
Subject Community Center Debt
Prepared by: June Du, Finance Director

Attachment(s):
None

Purpose
Provide updates on community center debt.

Background

On December 1, 2020, the City entered into Lease Agreements with the Public Property Financing Corporation of California, which subsequently assign the Agreement to Sterling National Bank (Assignee), under which the City leased certain facilities and the land on which the City's Community Center is located, for which the Assignee made a one-time up-front lease payment to the City in the amount of \$10,000,000. Simultaneously, the City will lease back from the Assignee with annual lease payments over a lease term of 19 years, at a fixed interest rate of 2.290% per year. The Sublease is secured by the leased property. The Sublease is repayable in semi-annual payments beginning June 2021 through June 30, 2040.



Subject: Community Center Debt Update as of June 30, 2023

Update:

As of June 30, 2023, the lease balance for the Community Center debt is \$8,678,374, with \$423,355 due within one year and \$8,255,019 due in more than one year. The future debt service requirements are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	423,355	198,735	622,090
2025	433,050	189,040	622,090
2026	442,967	179,123	622,090
2027	453,111	168,979	622,090
2028	463,487	158,603	622,090
2029-2033	2,481,586	628,862	3,110,448
2034-2038	2,779,044	331,404	3,110,448
2039-2040	1,201,774	41,426	1,243,200
Total	\$ 8,678,374	\$ 1,896,172	\$ 10,574,546