



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Finance	Aimee Tihonovich - Finance Director	July 2, 2024

AGENDA ITEM

Resolution 2024-41, Reimbursement resolution related to acquisition of property.

BACKGROUND

The City plans to utilize a direct placement lease purchase to finance the purchase of property located at 325 Hwy 50 in Salida. This type of financing agreement is legally available to the City. Annually appropriated rental payments under a lease/purchase financing will be made with existing revenue streams and will not increase taxes or fees.

The closing date on the purchase of this property is anticipated to be July 9, 2024. The City will front the money necessary for closing and will need to be reimbursed by the lender under the lease purchase agreement. This is anticipated to be the most cost effective method of financing the property purchase and will maintain general fund reserves at a sufficient level necessary for good cash flow management.

FISCAL NOTE

Approving this would allow the City to reimburse itself up to \$1,400,000 from the lease purchase proceeds, such amount to be paid back over time via annual appropriation.

RECOMMENDATION

Staff recommends approval of this resolution.

MOTION

A City Councilmember should state "I move to _____ Resolution 2024-41 expressing the intent of the City to be reimbursed for certain expenses relating to the acquisition of property", followed by a second and a roll call vote.