

Attachment 1

RESOLUTION NO. 2026- XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS AND DIRECTING CERTAIN RELATED ACTIONS IN CONNECTION WITH FINANCING CAPITAL IMPROVEMENTS

THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA
HEREBY FINDS, DETERMINES AND DECLARES AS FOLLOWS:

WHEREAS, the City of Costa Mesa (the "City") desires to finance capital improvements to the City's Fire Station No. 2, including temporary trailers, furniture, fixtures and equipment (collectively, the "Project"), to be financed through the issuance and sale by the Costa Mesa Financing Authority (the "Authority") of its 2026 Lease Revenue Bonds (the "Bonds"); and

WHEREAS, to finance the Project, the City has proposed to lease certain real property to the Authority, consisting of the site and facilities of Fire Station No. 1, located at 1570 Adams Avenue in the City, and Fire Station No. 2, located at 800 Baker Street in the City (together, the "Leased Property"), and to lease back the Leased Property from the Authority in consideration of semi-annual lease payments securing the repayment of the Bonds; and

WHEREAS, the City Council has duly held a public hearing regarding the issuance by the Authority of the Bonds to finance a portion of the Project in accordance with the requirements of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"), the notice of which has been given in accordance with the requirements of Section 6586.5 of the Bond Law; and

WHEREAS, the information required to be obtained and disclosed by the City Council related to the financing under Government Code Section 5852.1 is set forth in the staff report accompanying this resolution; and

WHEREAS, the City Council has duly considered such transactions and wishes at this time to approve all proceedings and documents to which the City is a party relating to the proposed financing.

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

- Section 1. Findings and Determinations. In accordance with the Bond Law and based on information provided to the City Council, the City Council hereby finds and determines that the issuance of the Bonds and the transactions related thereto will result in significant public benefits within the meaning of Section 6586 of the Bond Law.
- Section 2. Authorization of Bonds by Authority. The City Council hereby approves of the issuance of the Bonds by the Authority under the Bond Law, in the aggregate principal amount of not to exceed \$16,000,000 for the purpose of providing financing for the Project.

Section 3. Approval of Financing Agreements. The City Council hereby approves each of the following agreements required to implement the financing plan described above, in substantially the respective forms on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Mayor, City Manager or the Finance Director (each, an "Authorized Officer"):

- Site Lease between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an upfront site lease payment, which will be applied by the City to finance the Project and pay costs of issuance.
- Lease Agreement between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semi-annual lease payments which are sufficient to provide for payment of principal of and interest on the Bonds when due.

Each Authorized Officer is hereby separately authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed, if necessary, to attest the final form of each of the foregoing agreements, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions.

Section 4. Sale of Bonds. The City Council hereby authorizes the negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") under the Bond Purchase Agreement in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. The City Council hereby delegates to each Authorized Officer the authority to accept an offer from the Underwriter to purchase the Bonds and to execute the Bond Purchase Agreement for and in the name and on behalf of the City; provided, that the amount of Underwriter's discount shall not exceed 0.70% of the par amount of the Bonds and the true interest cost of the Bonds shall not exceed 6.00%.

Section 5. Official Statement. The City Council hereby approves and deems final for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, except for information permitted to be omitted by Rule 15c2-12(b)(1), the Preliminary Official Statement describing the Bonds in the form on file with the City Clerk. An Authorized Officer is hereby authorized and directed to (a) execute and deliver to the Underwriter a certificate deeming the Preliminary Official Statement, with such modifications thereof as are approved by an Authorized Officer, to be final, as of its date, within the meaning of such Rule, (b) approve any changes in or additions to cause the Official Statement to be put in final form, and (c) execute the Final Official Statement for and in the name and on behalf of the City once final

pricing information is available. The City Council hereby authorizes the distribution of the Preliminary Official Statement and the Final Official Statement.

Section 6. Continuing Disclosure Certificate. The City Council hereby approves the Continuing Disclosure Certificate to be executed by the City, the form of which is attached as an exhibit to the Preliminary Official Statement. Each of the Authorized Officers is hereby authorized and directed to approve any changes in or additions to a final form of said Continuing Disclosure Certificate, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The final Continuing Disclosure Certificate shall be executed in the name and on behalf of the City by an Authorized Officer.

Section 7. The City Council hereby approves, confirms and ratifies the appointment of Fieldman, Rolapp & Associates, Inc. as municipal advisor to the City and Jones Hall LLP as bond counsel and disclosure counsel to the City, with compensation to each such firm payable from a portion of the proceeds of the Bonds.

Section 8. Official Actions. The City Council hereby authorizes and directs each of the Mayor, the City Manager, the Finance Director, the City Clerk and all other officers of the City in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution, including executing any commitments or other documents necessary to obtain bond insurance and/or a reserve fund insurance for the Bonds and to coordinate the release or substitution of any real property previously leased by the City and Authority to the extent necessary or desirable to accomplish the purposes of the financing. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2026.
--

