

**HERCULES CITY COUNCIL  
RESOLUTION NO. 24-\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES DIRECTING  
THE CITY MANAGER, DIRECTOR OF FINANCE AND THEIR DESIGNEES TO TAKE  
ACTIONS NECESSARY TO PREPARE FOR ISSUANCE OF LEASE REVENUE  
REFUNDING BONDS, INCLUDING BUT NOT LIMITED TO ACTIONS RELATED TO  
EVALUATING THE FEASIBILITY OF REFINANCING**

**WHEREAS**, the City of Hercules (the “City”), a general law city organized and existing under the laws of the State of California, previously caused the Hercules Public Financing Authority (the “Authority”) to issue the Hercules Public Financing Authority Taxable Lease Revenue Bonds, Series 2009 (Bio-Rad Project) (the “Prior Bonds”) to finance the acquisition of certain real property located at 203-295 Linus Pauling Drive in the City of Hercules, including five buildings consisting of approximately 96,847 square feet, at which Bio-Rad Laboratories, Inc. (“Bio-Rad”) conducts office, laboratory, and light manufacturing operations (the “Bio-Rad Facility”); and

**WHEREAS**, pursuant to a Lease Agreement between the City and Bio-Rad, dated August 14, 2008 (the “Bio-Rad Lease”), Bio-Rad pays annual Base Rent (the “Bio-Rad Base Rent”) to the City, which since Fiscal Year 2023-24 have been sufficient to enable the City to pay scheduled principal and interest payments on the Prior Bonds, plus additional amounts which the City is entitled to retain; and

**WHEREAS**, in connection with the issuance of the Prior Bonds, the City and the Authority entered into a Cooperation Agreement pursuant to which the City agreed to pay scheduled principal and interest payments on the Prior Bonds if and to the extent the Bio-Rad Base Rent is insufficient to make such payments in full; and

**WHEREAS**, the City’s municipal advisor, Urban Futures, Inc., has advised the City and Authority that, subject to market conditions, the Prior Bonds may be eligible for refinancing to achieve debt service savings; and

**WHEREAS**, the City now desires to work with the Authority to refinance the Prior Bonds through the issuance of lease revenue refunding bonds (the “Bonds”), which would be payable from the Bio-Rad Base Rent and, to the extent Bio-Rad Base Rent payments are insufficient to pay the Bonds, such Bonds would be payable from and ultimately secured by lease payments to be made by the City to the Authority under a financing lease to be executed and delivered in connection with the Bonds; and

**WHEREAS**, in order to provide for the issuance of the Bonds to refinance the Prior Bonds, including the negotiation of amendments to the Bio-Rad Lease as necessary and appropriate for the issuance of the Bonds, City staff, under the direction of the City Manager, and with the assistance of the Authority and certain attorneys, consultants, and other third parties designated in Section 2 hereof, will proceed to evaluate the feasibility

of and take actions needed to proceed with the refinancing of the Prior Bonds through issuance of the Bonds; and

**WHEREAS**, prior to and as a condition to the issuance of the Bonds, the City Council of the City of Hercules (the “City Council”) and the Commission of the Authority must authorize the issuance of the Bonds at a future public meeting; and

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

1. The City Manager and the Director of Finance of the City and their designees are hereby authorized and directed to work with the Authority and its staff (under the direction of its Executive Director), the attorneys, consultants, and third parties designated in Section 2 below to take any and all actions necessary and appropriate to prepare for issuance of lease revenue refunding bonds, including but not limited to actions related to evaluating the feasibility of refinancing, and to present any such refunding bonds and related agreements to the City Council and the Commission of the Authority for approval at a future meeting.
2. The City Council hereby approves and appoints Stradling Yocca Carlson & Rauth LLP, as Bond and Disclosure Counsel, Urban Futures, Inc., as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, each to provide such services to the City Council as may be required to issue the Bonds. The City Council hereby appoints Stifel Nicolaus & Company, Incorporated, to serve as underwriter or placement agent, as applicable, in connection with the sale of the Bonds.
3. All the recitals in this Resolution are true and correct and are incorporated herein as findings.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 12<sup>th</sup> day of November, 2024, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Dan Romero, Mayor

ATTEST:

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Eibleis Melendez, City Clerk