



Conejo Recreation & Park District

GENERAL MANAGER
Jim Friedl

BOARD OF DIRECTORS
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Doug Nickles, Director
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DATE: June 4, 2026

TO: Board of Directors

FROM: Jim Friedl, General Manager

SUBJECT: Resolution No. 060426-E Authorizing Site Lease and Lease Agreement with the Mountains Recreation and Conservation Authority (MRCA) in connection with the District's purchase of 401/403 West Hillcrest Drive buildings and approximately 60 acres of "Fireworks Hill" from the City of Thousand Oaks, lease-leaseback financing, and approval of the Term Sheet from Webster Public Finance Corporation, as lender (Lender)

RECOMMENDATION

Adopt Resolution 060426-E Authorizing:

1. Execution of the **Site Lease** and **Lease Agreement** with the Mountains Recreation and Conservation Authority (MRCA).
2. Approval of the **Term Sheet** from Webster Public Finance Corporation, as lender (Lender).

BACKGROUND AND DISCUSSION

The District has entered into a purchase and sale agreement to acquire certain real property (including the land and improvements thereon) known as "Fireworks Hill," located at 401/403 West Hillcrest Drive in the City of Thousand Oaks, California. The Lender has agreed to loan the District approximately \$15,150,000 in order to assist the District with financing a portion of the purchase price. The District will finance the remainder of the purchase price with \$13.4 million from District's reserve funds and a \$2 million grant from the Santa Monica Mountains Conservancy. The closing is expected to occur on or around June 30, 2026.

The District has requested MRCA to serve as counterparty to a lease-leaseback financing related to its acquisition of Fireworks Hill. The financing will be structured as a lease-leaseback transaction, whereby the District will lease a portion of Fireworks Hill to MRCA pursuant to a Site Lease (the "**Site Lease**"), and then MRCA will lease back such property to the District pursuant to a Lease Agreement (the "**Lease**"). The District is required to make lease payments ("**Lease Payments**") to MRCA under the Lease, which MRCA will assign to the Lender pursuant to an Assignment Agreement ("**Assignment Agreement**"). The Lease Payments are structured to

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equal debt service owed to the Lender. The District will covenant to annually budget and appropriate for the Lease Payments.

By adopting this Resolution, the District Board will authorize the execution and delivery of the following documents in substantially final form.

- (i) **Site Lease**; and
- (ii) **Lease Agreement**

Below are brief descriptions of these documents:

- (i) **Site Lease:** (Attachment A)

Under the Site Lease Agreement, the District will lease to MRCA Parcels A and B of “Fireworks Hill” (collectively, the “**Leased Property**”), which is a portion of the property to be acquired by the District from the City of Thousand Oaks. Parcel B currently contains the District’s existing headquarters.

- (ii) **Lease Agreement:** (Attachment B)

Under the **Lease**, the MRCA will Lease the Leased Property back to the District and the District will make the Lease Payments. MRCA will enter into an Assignment Agreement, pursuant to which it assigns its right to receive **Lease Payments** from the District under the **Lease** to the Lender. The scheduled **Lease Payments** will correspond, in amounts and due dates, to debt service owed to the Lender. The District will also covenant to maintain certain insurance coverage with respect to the Leased Property. The **Lease** contains provisions, including the lease payment schedule and prepayment provisions.

Additionally, this Resolution authorizes approval of the **Term Sheet** (Attachment C). The **Term Sheet** sets forth the material financial terms of the lease financing proposed by Webster Public Finance Corporation (Lender) a wholly owned subsidiary of Webster Bank, N.A. The financing is structured as a tax-exempt, privately placed direct bank loan, with the lease payments under the **Lease** serving as the repayment mechanism. Key terms are as follows:

- Amount: \$15,150,000 (subject to change)
- Interest Rate: 4.46% fixed
- Final Maturity: July 1, 2046 (approximately 20-year term)
- Principal Payments: Due annually beginning July 1, 2027
- Interest Payments: Due semi-annually beginning January 1, 2027
- Prepayment: No call in Years 1–3; prepayable at 102% in Years 4–6, 101% in Years 7–9, and at par (100%) thereafter. An extraordinary call allows the District to prepay up to \$5,000,000 one time without penalty upon receipt of developer fees.

- **Leased Property:** A portion of Fireworks Hill consisting of eight parcels totaling approximately 61 acres, including two primary buildings, with a value equal to or greater than the loan amount (APN 525-0-053-115 and APN 525-0-060-095).
- **Financing Team:** Lessee Counsel — Nossaman LLP; Municipal Advisor — Urban Futures, Inc.; Counsel to Lender — Gilmore & Bell, P.C.
- **Closing Date:** On or about June 30, 2026.

The **Term Sheet** was accepted by the General Manager subject to Board approval and mutually agreed-upon documentation.

As required under Section 5852.1 of the California Government Code, **Good Faith Estimates** as provided by the District's Municipal Advisor are provided as Attachment D to this staff report.

The **Assignment Agreement** (Attachment E), dated as of June 1, 2026, is entered into between MRCA and Webster, the District's Lender. The District is not a direct party to this agreement, but it is included as an attachment because it is an integral part of the overall financing structure and directly affects the District's obligations under the **Lease**.

Under the **Assignment Agreement**, MRCA assigns to the Lender, on an absolute and irrevocable basis, all of MRCA's rights to receive Lease Payments from the District under the **Lease**. This means that from and after closing, the District will make all **Lease Payments** directly to the Lender (as assignee), not to MRCA. The assignment also transfers to the Lender the right to exercise remedies under the **Site Lease** and **Lease** in the event of non-payment, and the right to receive any insurance or eminent domain proceeds related to the **Leased Property**.

The **Assignment Agreement** makes clear that MRCA has no continuing financial obligations under this financing; it serves solely as the conduit counterparty. The Lender may only transfer its rights under the **Assignment Agreement** to a "qualified institutional buyer" as defined under federal securities law.

The attached map (Attachment F) depicts the APN boundaries and acreage of the Hillcrest/Fireworks Hill property. Parcels A and B, which constitute the **Leased Property** under the **Site Lease** and **Lease**, are identified on the map. Parcel B contains the District's existing administrative headquarters at 403 W. Hillcrest Drive. The legal descriptions for Parcels A and B will be finalized and inserted into Exhibit A of the **Assignment Agreement** prior to closing.

MRCA is scheduled to consider and approve its participation in this financing, including execution of the **Site Lease**, **Lease Agreement**, and **Assignment Agreement**, at its regular meeting on June 3, 2026. MRCA's approval is a condition precedent to closing, and District staff will confirm MRCA's action prior to the Board's consideration of this item.

FISCAL IMPACT:

The total acquisition cost of the Fireworks Hill property is expected to be funded through a combination of approximately \$15.15 million in lease financing proceeds, \$13.4 million from District reserve funds, and a \$2 million grant from the Santa Monica Mountains Conservancy.

The proposed lease financing is expected to amortize over approximately 20 years, with estimated annual lease payments payable from the District's operating revenues. The financing structure allows the District to preserve a substantial portion of its reserves and liquidity while securing long-term ownership of a strategic recreational and open space asset within the community.

The District's lease payment obligation will be subject to annual budget appropriation by the Board of Directors. Based on current estimates provided by the District's Municipal Advisor, the financing is expected to carry an estimated true interest cost of approximately 4.46%, with total repayment obligations estimated at approximately \$23.2 million over the life of the financing.

In addition to debt service payments, the District will be responsible for customary financing costs, including municipal advisory, legal, title, and financing-related expenses. Such costs are expected to be paid from financing proceeds and/or available District funds.

The financing structure provides the District with the ability to acquire and preserve the property while balancing long-term capital needs, operational flexibility, and reserve management objectives.

As required under Section 5852.1 of the California Government Code, good faith estimates as provided by the District's Municipal Advisor are provided as Attachment D to this staff report.

STRATEGIC PLAN COMPLIANCE

Meets Strategic Plan Vision Statement:

- Match our programs and facilities to demonstrated and demographic needs.
- Strive to conserve lands with natural resources
- Operate in a socially responsible manner – considering current and future generations in decision making

Meets Strategic Plan Elements & Goals:

2.0 Our objective is to provide and maintain recreational facilities that meet the needs of the community. Our strategy is to effectively plan and allocate resources to implement the District's Master Plan.

2.2 Continue improvement of park system consistent with the District Master Plan. Update the District Master Plan to identify current District facilities and reflect community needs. The District Master Plan should correlate closely with the City's General Plan. Provide District standards for park areas and facilities to provide a guideline in the location, acquisition, and development of those facilities.

2.9 Secure long-term location for CRPD Administrative offices, Hillcrest Center, and Hillcrest Center for the Arts [before 2027].

Submitted by,



Melissa Smith, Director of Management Services

Attachments:

- A – Site Lease
- B – Lease Agreement
- C – Term Sheet
- D – Good Faith Estimates
- E – Assignment Agreement
- F – Site Map
- G – Assessors Map