STAFF REPORT

AGENDA NO: 10a

MEETING DATE: August 17, 2026

To: **Honorable Mayor and City Council**

Date: **August 17, 2026**

From: **Michael Guina, City Attorney**
Lisa K. Goldman, City Manager
Helen Yu Scott, Finance Director

Subject: **Introduction and First Reading of an Ordinance of the City Council of the City of Burlingame Declaring the Need for the Burlingame Industrial Development Authority and Declaring that the Burlingame Development Authority Shall Function; CEQA Determination: Exempt Pursuant to State CEQA Guidelines 15378(b)(4)**

Adoption of a Resolution Declaring the Burlingame City Council to be the Board of Directors for the Burlingame Industrial Development Authority

RECOMMENDATION

Staff recommends that the City Council hold a Public Hearing and introduce the first reading of the proposed Ordinance adding Chapter 3.70, "Industrial Development Authority," to Title 3 of the Burlingame Municipal Code. The Ordinance declares the need for the Burlingame Industrial Development Authority, declares that the Burlingame Industrial Development Authority shall function, and finds that the action is exempt from the California Environmental Quality Act ("CEQA").

Staff also recommends that the City Council adopt the proposed Resolution declaring the members of the City Council to be the Board of Directors for the Burlingame Industrial Authority. If adopted the Resolution is effective only if the preceding Ordinance establishing the Industrial Development Authority becomes effective.

Recommended Procedure and Order of Operations:

A. Receive the staff report and ask any questions of staff.
B. Conduct a public hearing.
C. Discuss the Ordinance and by motion determine whether to bring it back for second reading and adoption. If the Council is in favor of the Ordinance, direct

the City Clerk to publish a summary of the Ordinance at least five days before its proposed adoption.

BACKGROUND

In 2025, the City Council adopted Resolution No. 015-2025 approving a Purchase and Sale Agreement for the new City Hall at 1440 Chapin Avenue, and staff has been exploring options for financing the acquisition. Some portion of the negotiated purchase price is likely to be financed through the issuance of lease revenue bonds, which are typically issued by joint powers financing authorities composed of at least two public entities. The City currently has a joint powers financing authority, the members of which are the City and the former Redevelopment Agency. As a result of the dissolution of redevelopment many years ago, staff does not recommend that the City use the existing joint powers authority for the issuance of lease revenue bonds for the purpose of financing the acquisition of the new City Hall.

DISCUSSION

As an alternative, staff recommends that the City Council activate the Burlingame Industrial Development Authority ("Industrial Development Authority") by making the required findings via ordinance. The California Industrial Development Financing Act (Title 10 (commencing with Section 91500) of the California Government Code) ("Act") finds that in each public entity there exists an instrumentality of the State of California known as the industrial development authority of the public entity (Government Code Section 91520(a)). Each such entity may not transact business or exercise any powers unless, by ordinance, the governing body of the public entity declares that there is a need for the industrial development authority to function (Government Code Section 91520(b)). Once the industrial development authority is activated, it has various powers as a public entity, including the power to enter into contracts and to issue bonds (Government Code section 91520(c)).

Activating the Industrial Development Authority will ensure that the City has access to the full range of public financing options when needed and will provide the City with the services of an authority that can promote and enhance economic development and increase opportunities for useful employment in accordance with the Act.

The Act allows the City Council to declare itself the governing body of the Industrial Development Authority (Government Code section 91523), which staff recommends. The proposed Resolution, which declares the City Council as the Board of Directors for the Industrial Development Authority, will take effect only if the Ordinance activating the Industrial Development Authority also takes effect.

Next Steps

Once the Ordinance that activates the Industrial Development Authority is effective, the City and the Industrial Development Authority could form a joint powers financing authority that would be able to issue lease revenue bonds for the purposes of financing a portion of the costs of acquisition of the new City Hall.

If Council adopts the first reading of the Ordinance at its August 17, 2026, meeting, the Council will consider the Ordinance for adoption on September 8, 2026. After the Ordinance becomes effective 30 days thereafter, staff will return to Council and the Burlingame Industrial Development Authority with the necessary actions to create a joint powers financing authority as well as resolutions appointing officers and adopting certain policies and procedures with regards to the operation of the Industrial Development Authority.

FISCAL IMPACT

There is no fiscal impact to the City from the Ordinance activating the Industrial Development Authority. Once the Industrial Development Authority is activated, the City may incur some nominal additional costs associated with administering the Industrial Development Authority.

There is no fiscal impact in adopting the Resolution designating the members of the City Council as the Board of Directors for the Industrial Development Authority.

ENVIRONMENTAL REVIEW

The action being considered is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Title 14 of the California Code of Regulations, Section 15378(b)(4) because it involves the creation of a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.