

**Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector**



To: The Honorable Finance Authority Board

From: Jenine Windeshausen, Treasurer-Tax Collector 

Date: October 23, 2007

Subject: Issuance of Certificates of Participation for
the 2007 South Placer Justice Center Courthouse Financing Project

Action Requested:

1. Pass a resolution approving, in substantial form, the Site and Facilities Lease, the Lease Agreement, the Assignment Agreement, and the Trust Agreement and authorizing and directing the Chairman, the Executive Director or the Treasurer to execute said documents making any changes as may be required, and authorizing and directing to take any other action necessary to fulfill the purposes of the resolution.

Background:

The County intends to issue Certificates of Participation (COPs) to obtain a substantial portion of the funds necessary for the purchase of the Placer County Bill Santucci Justice Center. The COP structure requires a third-party entity to issue the COPs, to own the constructed facilities and then to lease-back the facilities to the County. To facilitate COP financings, the County has established the Placer County Public Financing Authority to serve as the third-party issuing and leasing entity.

The Authority Board must take actions related to the lease provisions and issuance of the COPs. The Board must approve, in substantial form:

- the Site and Facilities Lease between the County, as lessor and the Authority as lessee,
- the Lease Agreement between the Authority, as lessor, and the County as lessee,
- the Trust Agreement between the Authority, the County and the Bank of New York Trust Company, N.A. as trustee, and
- the Assignment Agreement between the County, the Authority and the Trustee whereby the Authority will assign its right to lease payments to the Trustee.

Finally, the Authority Board must authorize the Chair of the Board, the Executive Director of the Authority, the Treasurer-Tax Collector, the Secretary of the Authority, their designees and all other appropriate officials of the County to take any and all necessary action in compliance with the resolution for the issuance of the COPs.

Copies of the Site and Facility Lease (in substantial form), the Lease Agreement (in substantial form), and the Trust Agreement (in substantial form) are on the record as attachments to the Board of Supervisors' memo as of this date.

Environmental:

This action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

Fiscal Impact:

The actions of the Authority are in accord with the Board of Supervisors actions to issue COPs and do not create any additional fiscal impact.

Recommendation:

It is recommended that your Board pass the attached resolution to facilitate the issuance of COPs for the purchase of the Placer County Bill Santucci Justice Center Courthouse and underlying property.

Attachments: Resolution
 Assignment Agreement

**Before the Board of
the Placer County Public Financing Authority
County of Placer, State of California**

In the matter of:

Resol. No: _____

Related to Ord. No: _____

**RESOLUTION APPROVING,
AUTHORIZING AND
DIRECTING PREPARATION
AND EXECUTION OF CERTAIN
LEASE FINANCING
DOCUMENTS AND
AUTHORIZING AND
DIRECTING CERTAIN
ACTIONS WITH RESPECT
THERE TO**

The following Resolution was duly passed by the Board of the Placer County Public Financing Authority, County of Placer at a regular meeting held on October 23, 2007 .

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, the County of Placer, California (the "County"), with the assistance of the Authority, has determined to finance the acquisition of an existing facility to be used as the South Placer Justice Center Courthouse and the County has proposed to implement a lease financing for the purpose of raising the funds for such purposes;

WHEREAS, it is in the public interest and for the public benefit that the Authority authorize and direct execution of certain financing documents in connection therewith;

WHEREAS, the documents below specified shall be filed with the Authority and the members of the Board, with the aid of its staff, shall review said documents;

NOW, THEREFORE, BE IT RESOLVED,

Section 1. The below-enumerated documents, substantially in the forms on file with the Secretary, be and are hereby approved, and the Chairman, the Executive Director or the Treasurer is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, and the Secretary is hereby authorized and directed to attest to such official's signature:

(a) a site and facility lease, between the County, as lessor, and the Authority, as lessee, pursuant to which the County will lease certain existing, unencumbered property to the Authority (the "Property");

(b) a lease agreement, by and between the Authority, as lessor, and the County, as lessee (the "Lease Agreement"), pursuant to which the Authority will lease the Property back to the County;

(c) an assignment agreement, by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), pursuant to which the Authority will assign certain of its rights under the Lease Agreement, including its right to receive lease payments thereunder, to the Trustee; and

(d) a trust agreement, by and among the Authority, the County and the Trustee, relating to the financing and the execution and delivery of certificates of participation evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the County under the Lease Agreement.

Section 2. The Chairman, the Executive Director, the Treasurer, the Secretary and other officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 3. This Resolution shall take effect upon its adoption by the Board.

Quint & Thimmig LLP

09/06/07
09/26/07
10/03/07

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
575 Market Street, Suite 3600
San Francisco, CA 94105-2874
Attention: Brian D. Quint, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

Dated as of December 1, 2007

by and between the

PLACER COUNTY PUBLIC FINANCING AUTHORITY

and

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

(2007 South Placer Justice Center Courthouse Financing Project)

16025.03

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ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of December 1, 2007, by and between the PLACER COUNTY PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Authority and the County of Placer, California (the "County"), have entered into a lease agreement, dated as of December 1, 2007, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"), whereby the Authority has agreed to lease to the County, and the County has agreed to lease from the Authority, those certain parcels of real property situated in Placer County, State of California, more particularly described in Exhibit A hereto (the "Site"), and those certain improvements thereon, commonly known as the Auburn Justice Center, more particularly described in Exhibit B hereto (the "Facility" and, with the Site, the "Property"), in the manner and on the terms set forth in the Lease Agreement, which terms include, without limitation, the obligation of the County to pay lease payments (the "Lease Payments") to the Authority in consideration of the County's use and enjoyment of the Property.

(b) Under the Lease Agreement, the Authority is required to cause to be deposited with the Trustee certain sums of money to be credited, held and applied in accordance with the Lease Agreement and with a trust agreement, dated as of December 1, 2007 (the "Trust Agreement"), by and among the Authority, the County and the Trustee.

(c) Upon delivery of the Lease Agreement, the Authority is required to deposit with the Trustee moneys to finance the acquisition of an existing facility to be used as the South Placer Justice Center Courthouse (the "Project"). For the purpose of obtaining such moneys, the Authority is willing to convey to certain persons (the "Owners") direct, undivided fractional interests in the Lease Payments, such direct, undivided fractional interests to be evidenced by certificates of participation therein (the "Certificates"). In order to make such fractional interests marketable on terms acceptable to the Authority, the Authority is willing to assign and transfer its rights under the Lease Agreement to the Trustee for the benefit of the Owners. Concurrently with the delivery of this Assignment Agreement, the Trustee is executing and delivering Certificates in an aggregate principal amount of _____ dollars (\$_____). The proceeds of such sale are anticipated to be sufficient to permit the Authority to make the deposits required under the Lease Agreement and the Trust Agreement and to permit the Authority to pay therewith the costs of financing the Project.

(d) Each of the parties has authority to enter into this Assignment Agreement and has taken all actions necessary to authorize its officers to execute it.

Section 2. Assignment. The Authority, for good and valuable consideration, hereby transfers, assigns and sets over to the Trustee, for the benefit of the Owners of the Certificates, all of the Authority's rights and interests under the Lease Agreement (excepting only the Authority's rights under Sections 5.8, 7.3 and 9.4 but none of its obligations, including, without limitation, its obligations under Section 4.7 of the Lease Agreement), including, without limitation (i) the right to receive and collect all of the Lease Payments from the County, (ii) the right to receive and collect any proceeds of any insurance maintained thereunder and of any condemnation award rendered with respect to the Property, and (iii) the right to exercise such rights and remedies conferred on the Authority pursuant to the Lease Agreement as may be necessary or convenient (A) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund established under the Trust Agreement, or (B) otherwise to protect the interests of the Owners in the event of a default by the County under the Lease Agreement. All rights assigned by the Authority shall be administered by the Trustee in accordance with the provisions of the Trust Agreement and for the equal and fractional benefit of the Owners of the Certificates.

Section 3. Acceptance. The Trustee hereby accepts the assignments made herein for the purpose of securing, equally and fractionally, the payments due pursuant to the Lease Agreement and the Trust Agreement to, and the rights under the Lease Agreement and Trust Agreement of, the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement.

Section 4. Conditions. This Assignment Agreement shall neither confer rights nor impose duties upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee assumes no responsibility for the accuracy of the recitals herein.

Section 5. Amendment. This Assignment Agreement may not be amended except as permitted under Section 10.01 of the Trust Agreement.

Section 6. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

PLACER COUNTY PUBLIC
FINANCING AUTHORITY

By _____
Chairman

Attest:

Secretary

THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Trustee

By _____
Authorized Officer

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A
DESCRIPTION OF THE SITE

All that certain real property situated in Placer County, State of California, described as follows:

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of the following:

Situated on 7.6 acres of land in the Placer County Government Center in North Auburn, California, the Auburn Justice Center is a 96,200 square foot, two story facility and provides offices for the Sheriff/Coroner, Probation Department, and the District Attorney—Juvenile Division. The facility is comprised of two separate but interconnected buildings with the larger two story portion housing offices, conference rooms, public lobby and meeting space, emergency dispatch call center, and general staff functions. The one story portion houses sheriff evidence processing and storage, training facilities including classrooms and a shooting range, and vehicle maintenance and various types of specialty storage. The facility has structural design and emergency response capacities as required for an essential services building including duplicate backup heating and air conditioning systems and full sized generator with automatic transfer switching. These systems allow the building to be fully functional during emergencies and power outages. The facility is also state of the art with communications, data, security, and energy management systems. Evidence processing can now store materials in four separate areas with distinct climate controlled temperature settings meeting Department of Justice criteria. Also the training center has an 8 lane fully fixed and tactical movement shooting range with automatic target retrieval system and lead recovery equipment. The building is sited such that it completes the criminal justice complex portion of the DeWitt Center. It creates an internal secure area for staff and parking for the Main Jail, Juvenile Detention Center, and the Auburn Justice Center. Parking is provided for all staff, specialty vehicles such as search and rescue, evidence vans, and patrol cars. In addition, there is a public parking lot at the front entrance as well as a secure sheriff overflow parking lot for large vehicles used for unique operations.

