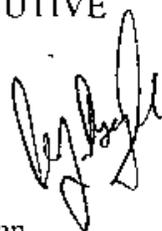


MEMORANDUM
PLACER COUNTY
OFFICE OF THE COUNTY EXECUTIVE

To: Honorable Board of Supervisors
From: Michael J. Boyle, Assistant County Executive
Date: January 8, 2008
Subject: A Public Hearing to consider adopting a Resolution Approving tax-exempt lease financing for California Shock Trauma Air Rescue (CALSTAR) to purchase Helicopters and related equipment.



Action Requested

That your Board:

1. Conduct a public hearing under the Tax and Equity Fiscal Responsibility Act (TEFRA) to consider adopting a Resolution authorizing tax-exempt lease financing for CALSTAR, a 501 (c) (3) non-profit corporation in an amount not to exceed \$20,000,000 (twenty million dollars); and,
2. Following the public hearing and as required by Section 147(f) of the Tax Code, adopt the attached Resolution authorizing the issuance of private financing obligations for the ABAG Finance Authority for Non-Profit Corporations.

Background

CALSTAR

Your Board previously approved similar tax-exempt financing requests from CALSTAR in 1999 and 2005. CALSTAR is a 501(c)(3) non-profit corporation providing air ambulance services to Northern California from seven bases located in Auburn, Concord, Gilroy, Salinas, Santa Maria, South Lake Tahoe and Ukiah, with the headquarters at McClellan Park, in Sacramento County. As your Board is aware, the CALSTAR base in Placer is located at the State CALFIRE fire station, just off I-80 and Bowman Road in North Auburn.

Federal Tax Law (TEFRA)

As a non-profit corporation applying for tax-exempt financing, the 1982 Tax and Equity Fiscal Responsibility Act (TEFRA) requires a public hearing by the governing bodies in each of the jurisdictions where the applicant operates. Hence, the item is before your board today as a public accountability procedure of the Board of Supervisors acting as the legislative body of the jurisdiction (County of Placer) in which the proposed tax-exempt financing project is located, or may be located.

The ABAG Finance Authority for Non-Profit Corporations
Since 1961, the ABAG Authority has operated as a California Joint Powers Agency. The Authority provides conduit financing to non-profit organizations and other borrowers serving the public in the areas of health and social services, affordable housing and education. Placer County, along with more than sixty other jurisdictions, is a member of the ABAG Finance Authority. For reference, other nearby local governments that are also members of The Authority include the County of Sacramento, the County of El Dorado, and the County of Yuba along with several local cities. In fact, in November of 2006, your Board conducted a TEFRA hearing for the ABAG Authority acting as the financing agency for the issuance of bonds approved for Eskaton Properties in Placer County.

Proposed Lease Financing and Purpose of Funding

Unlike the other financing requests your Board has approved for CALSTAR which involved the public issuance of bonds, this arrangement is different. This financial arrangement is not a public offering but rather is a private lease obligation. If approved, CALSTAR intends to utilize the funding to purchase four helicopters and related equipment.

Additionally, representatives from CALSTAR and the ABAG Financing Authority or bond counsel will be present today to answer questions from your Board.

Fiscal Impacts and Financial Exposure to the County

There is no fiscal impact to the County of Placer from this action today. The issuance of this private financing is structured so ensure there are no financial liabilities to the County.

Attachments:

- Resolution
- Notice of Publications

- c: Gisele Rainer, Nixon Peabody, LLP
- Scott Finley, County Counsel
- Rui Cunha, Office of Emergency Services

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: _____

A RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A MASTER LEASE AND SUBLEASE AGREEMENT BY THE ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS PERTAINING TO FINANCING CERTAIN ASSETS FOR CALSTAR, AND OTHER MATTERS RELATING THERETO

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **January 8, 2008**, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Jim Holmes
Chairman, Board of Supervisors

Attest: _____
Ann Holman
Clerk of the Board

WHEREAS, California Shock Trauma Air Rescue, Inc., dba CALSTAR, a California nonprofit public benefit corporation (the "Corporation"), has requested that the ABAG Finance Authority for Nonprofit Corporations (the "Authority") approve the issuance of the Authority's debt obligations (the "Obligations") under a Master Lease and Sublease Agreement (the "Master Lease Agreement") authorized and executed by and among the Authority as lessee, the Corporation as sub-lessee and Banc of America Public Capital Corp, as lessor, for the purpose of financing certain assets, including helicopters and related equipment to be used in connection with the Corporation's operations, to be owned by the Corporation, some or all of which may be based or used within the County of Placer (the "County"), and to pay all issuance costs associated therewith, in an aggregate amount not exceeding \$20,000,000 (the "Project"); and

WHEREAS, the issuance of the Obligations must be approved by the County in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), because some or all of the Project may be located within the jurisdiction of the County; and

WHEREAS, the Board of Supervisors of the County (the "Board") is the elected legislative body of the County, and as such is the applicable elected representative required to approve the issuance of the Obligations pursuant to Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the Board approve the issuance of the Obligations by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code; and

WHEREAS, a notice of public hearing to be held by the Board with respect to the Obligations, which notice has been published once in a newspaper of general circulation in the County at least 14 days prior to the date set for the hearing; and

WHEREAS, the Board has duly held the public hearing described above on the date of adoption of this Resolution, and an opportunity was provided for persons to comment on the issuance of the Obligations for the Project; and

WHEREAS, pursuant to Section 147(f) of the Code, the Board has, following notice duly given, held a public hearing regarding the Obligations, and now desires to approve the issuance of the Obligations by the Authority;

WHEREAS, issuance of the Obligations by the Authority on behalf of the Corporation in no way exposes the County to liability, financial or otherwise;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Placer that the issuance of the Obligations by the Authority for the purposes of providing financing of the Project is hereby approved for the purposes of Section 147(f) of the Tax Code.

RESOLVED FURTHER, by the Board of Supervisors of the County of Placer that:

Section 1. The above referenced recitals are true and correct.

Section 2. Pursuant to Section 147(f) of the Tax Code, the County held a public hearing on January 8, 2008, and provided an opportunity to present arguments both for and against the issuance of the Obligations and the nature and location of the Project. The Board has further considered all testimony and comments submitted in connection with the Obligations and the nature and location of the Project at the public hearing.

Section 3. After consideration of comments received at the public hearing, the Board approves the issuance of the Obligations by the Authority for the purpose of providing financing of the Project. It is the purpose and intent of the Board that this Resolution constitutes approval of the Obligations by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Tax Code. The approval of the Board of the issuance of the Obligations does not constitute an approval by the County

or the Board of the underlying credit issues of the Project or of the financial structure of the Obligations. Issuance of the Obligations by the Authority on behalf of the Corporation shall in no way expose the County to liability, financial or otherwise.

Section 4. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 5. This Resolution shall take effect from and after the date of its adoption.

Mike Boyle

From: Wadlington, Brenda [bwadlington@nixonpeabody.com]
Sent: Wednesday, December 19, 2007 2:48 PM
To: Mike Boyle; Scott Finley
Cc: Rainer, Gisele; Clarke J. Howatt; Darrin Webb; Treu, Nathan; Gibbs, Travis
Subject: Publication of Notices of Public Hearing in Placer County

Dear Mike and Scott:

I am writing to let you know that the Notices of Public Hearing regarding the TEFRA Hearing scheduled for January 8, 2008 at 9:15 a.m. will be published as follows: in *The Roseville Press Tribune* on December 22, 2007; in *The Tahoe World* on December 19th; and in *The Auburn Journal* on December 24th. I will send you affidavits of publication as soon as I receive them.

Please contact us if you have any questions. Thank you.

Sincerely,
Brenda Wadlington
Paralegal - Public Finance

NIXON PEABODY LLP
One Embarcadero Center, Suite 1989
San Francisco, California 94111

415-984-8403 Direct Dial
415-984-8300 Main Fax
bwadlington@nixonpeabody.com

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, that on January [8], 2008, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, will be held with respect to a request by California Shock Trauma Air Rescue, Inc., dba CALSTAR, a California nonprofit public benefit corporation (the "Corporation") to ABAG Finance Authority for Nonprofit Corporations (the "Authority") regarding the issuance of the Authority's debt obligations (the "Obligations") under a Master Lease and Sublease Agreement, to be authorized and executed by and among the Authority, as Lessee, Banc of America Public Capital Corp, as Lessor, and the Corporation, as Sublessee.

The proceeds of the Obligations will be used to finance the cost of certain assets, including helicopters to be used in connection with the Corporation's operations, in an amount not to exceed \$20,000,000 and to pay all issuance costs associated therewith. The Corporation will be the owner of all assets financed with the proceeds of the Obligations. Some or all of the assets may be based or used at 13750 Lincoln Way, Auburn, California 95603.

The hearing will commence at 9:00 a.m. or as soon thereafter as the matter can be heard, and will be held in the County Government Center, 175 Fulweiler Avenue, Auburn, California. Interested persons wishing to express their views on the uses and purposes of the proceeds of the Obligations or on the nature and location of the assets proposed to be financed may attend the public hearing or, prior to the time of the hearing, submit written comments. Additional information concerning the above matter may be obtained from and written comments should be addressed to the Clerk of the Board of Supervisors, County of Placer, 175 Fulweiler Avenue, Auburn, California 95603, Telephone 530-889-4020.

Dated: December [24], 2007

