

Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector



To: The Board of the Placer County Public Financing Authority

From: Jenine Windeshausen, Treasurer-Tax Collector

Date: June 24, 2008

Subject: Actions Related to the Refunding of the 1998 Certificates of Participation for the Juvenile Detention Facility and Jail Kitchen

Action Requested:

Approve a resolution approving forms of the Site and Facility Lease, the Lease Agreement, the Assignment Agreement, and the Trust Agreement and authorizing modifications to the foregoing and execution and delivery thereof as modified; approving execution and delivery of Certificates of Participation for the 1998 Juvenile Detention Facility and Jail Kitchen Refunding; and authorizing and directing Authority officers to take all necessary actions to implement the Refinancing Project.

Background:

On June 1, 1998, the County issued \$13,200,000 million in Certificates of Participation (COPs) for the financing of the Juvenile Detention Facility and to refund the Jail Kitchen COPs in the amount of \$4,430,000 that were originally issued in 1994. The current amount outstanding on the 1998 COPs is \$10,285,000.

The Treasurer provides ongoing monitoring of outstanding debts issues for opportunities to generate savings on outstanding County debt through refunding (refinancing). It is currently estimated that refunding the 1998 COPs would generate a net present value savings of 3.65% or \$1.3 million, which translates to annual savings of \$100,000 per year.

In order to refund the outstanding bonds, the Board of the Placer County Public Finance Authority must take certain actions associated with the refunding. The COP structure requires a third-party entity to issue the COPs, to own the constructed facilities and lease-back the facilities to the County. As such, the Authority Board must take action related to the lease provisions of the COPs. Specifically, the Authority Board must approve the Site and Facility Lease, Lease Agreement, the Assignment Agreement.

Specifically, the Authority Board must take certain actions in concert with the Placer County Board of Supervisors to refund the outstanding 1998 COPs.

- 1) Approve the following documents and authorize and direct that the Chair of the Authority Board, the Executive Director of the Authority or the Treasurer-Tax Collector or their designee execute the documents in their final form.
 - a) The Site and Facilities Lease, between the County and the Placer County Public Financing Authority (the Authority).
 - b) The Lease Agreement between the Authority and the County.
 - c) The Trust Agreement by and among the Authority, the County, and the Bank of New York Trust Company NA.

- d) The Assignment Agreement between the Authority and the Bank of New York Trust Company, N.A.

The structure of the COPs requires the participation of a third-party Lessor. The Lessor must be either a non-profit organization or a joint powers authority. In the past, the County has utilized the North Lake Tahoe Public Finance Authority (a County/North Tahoe Public Utility District JPA) to issue its COPs. While the County has successfully utilized the North Lake Tahoe Public Finance Authority, this JPA requires various meetings with participants from the North Tahoe Public Utility District, which can be logistically challenging to schedule. Therefore, the new public finance JPA consisting of the County and the Placer County Redevelopment Agency was created. This refunding will also accomplish extinguishment of the 1998 COPs under the North Lake Tahoe Public Finance Authority and establish the new debt under the Placer County Public Finance Authority.

Fiscal Impact:

There are no direct fiscal impacts from these actions. However, the actions requested will support the effort to refund the 1998 Certificates of Participation which is anticipated to generate approximately \$1,300,000 in net present value savings to the County.

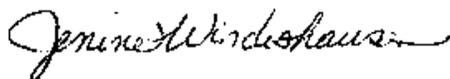
Environmental:

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

Recommendation:

It is therefore recommended that the Placer County Public Financing Authority Board take the actions requested above to take actions related to the lease arrangements for the Refinancing Project.

Respectfully submitted,



Jenine Windeshausen
Treasurer-Tax Collector

Attachments:

- 1) Resolution approving the Site and Facility Lease, the Lease Agreement, the Trust Agreement and the Assignment agreement and authorizing Authority officers to take all necessary actions to implement the Refinancing Project

On File with the Clerk of the Board:

- 1) Form of the Site and Facility Lease
- 2) Form of the Lease Agreement,
- 3) Form of the Trust Agreement
- 4) Form of the Assignment Agreement

Before the Board of the
Placer County Public Finance 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 THERETO

The following Resolution was duly passed by the Board of the Placer County Public Finance Authority of the County of Placer at a regular meeting held on June 24, 2008.

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of the Placer County Public Finance Authority

Attest:

Clerk of said Board

WHEREAS, the County of Placer (the "County"), working together with the North Lake Tahoe Public Financing Authority (the "North Lake Tahoe Authority"), has heretofore caused the execution and delivery of the \$13,200,000 Certificates of Participation (Juvenile Detention Facility and Jail Kitchen Refunding) (the "1998 Certificates") evidencing direct, undivided fractional interests of the owners thereof in lease payments to be made by the County as the rental for certain property pursuant to a lease agreement with the North Lake Tahoe Authority to (a) finance the acquisition, construction, installation, modernization and equipping of

improvements to various County facilities, and (b) provide for the refunding and defeasance of certificates of participation executed and delivered in 1994 to finance the acquisition, construction, installation, modernization and equipping of improvements to various County facilities;

WHEREAS, the 1998 Certificates are currently outstanding in the principal amount of \$10,285,000;

WHEREAS, the County has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to refinance its obligations with respect to the 1998 Certificates;

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; and

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 Mellon 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.

