

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of the Placer County Public Finance Authority
FROM: Thomas M. Miller, County Executive Officer
By Linda Oakman, Administrative Services Manager
DATE: December 14, 2010
SUBJECT: Refunding of COPs for Juvenile Hall and Jail Kitchen

ACTION REQUESTED

Adopt a resolution, approving in substantial form, the Site and Facility Lease, the Lease Agreement, the Assignment Agreement, and authorizing and directing the Chairman, and the Executive Director or designee to execute said documents making any changes as may be required. Also authorizing and directing the Chairman and the Executive Director or designee to take any other action that may be necessary to complete the refunding of certificates of participation for the 1998 Juvenile Detention Center and Jail Kitchen Projects.

BACKGROUND

On June 1, 1998, the County issued \$13,200,000 in Certificates of Participation (1998 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 lease financing structure requires a third-party entity to lease or own the facilities and then to lease-back the facilities to the County. To facilitate public financings the County has established the Placer County Public Financing Authority to serve as the third-party leasing entity.

In order to complete the Lease-Purchase and refund the 1998 COPs the Authority, as the required third party lessor, must approve certain actions and lease documents as follows:

The Board must approve, in substantial form:

- The Site and Facilities Lease, between the County and the Authority.
- The Lease Agreement between the Authority and the County.
- The Assignment Agreement

Finally, the Authority Board must authorize the Chair of the Board, the Executive Director of the Authority, the Secretary of the Authority, their designees and all other appropriate officials of the County to take any and all necessary actions in compliance with the resolution for the refunding of the COPs for the Juvenile Hall and Jail Kitchen.

FISCAL IMPACT

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

ENVIRONMENTAL

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

Attachments: Resolution

Available for review at Clerk of the Board's Office:

- The Site and Facilities Lease, between the County and the Authority
- The Lease Agreement between the Authority and the County
- The Assignment Agreement

PLACER COUNTY PUBLIC FINANCING AUTHORITY

RESOLUTION NO. _____

**RESOLUTION APPROVING THE FORM AND AUTHORIZING THE
EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN
CONNECTION WITH THE REFUNDING OF THE PLACER COUNTY 1998
CERTIFICATES OF PARTICIPATION (JUVENILE DETENTION FACILITY
AND JAIL KITCHEN REFUNDING), AND AUTHORIZING AND DIRECTING
CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the "Board") of the Placer County Public Financing Authority (the "Authority"), as follows:

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 \$8,945,000;

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 have been filed with the Authority and the members of the Board, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

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, or the designee of any such official, is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official,

the execution thereof to be conclusive evidence of such approval, 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 (the "Site and Facility Lease"), 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; and

(c) an assignment agreement, by and between the Authority and Bank of America, N.A. (the "Assignee"), pursuant to which the Authority will assign certain of its rights under the Site and Facility Lease and the Lease Agreement, including its right to receive lease payments thereunder, to the Assignee.

Section 3. 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 and to take such other actions as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 4. This Resolution shall take effect upon its adoption by the Board.

PASSED AND ADOPTED by the Board of Directors of the Placer County Public Financing Authority this 14th day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

PLACER COUNTY PUBLIC FINANCING
AUTHORITY

By _____
Chairperson of the Board

ATTEST:

Secretary