




COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: June 25, 2001

BOARD MEETING DATE: July 3, 2001

TO: Honorable Board of Supervisors
FROM: Paul T. Scannell, Assistant County Manager 
SUBJECT: Radio Systems and Forensic Laboratory Financing

Recommendation

Adopt a resolution subsequent to a public hearing approving the issuance by the San Mateo County Joint Powers Authority of Lease Revenue Bonds in an amount not to exceed \$35,000,000 for the financing of the Radio Systems and the Forensic Laboratory.

Background

Government Code Section 6586.5 requires that the County Board of Supervisors must make a finding that the financing of a public capital improvement will result in "significant public benefit" in accordance with the law. Significant public benefit means any of the following benefits to the citizens of the local agency:

- (a) Demonstrable savings in effective interest rate, bond preparation, bond underwriting or issuance costs.
- (b) Significant reductions in effective user charges levied by a local agency.
- (c) Employment benefits from undertaking the project in a timely fashion.
- (d) More efficient delivery of local agency services to residential and commercial development.

The Board of Supervisors has reviewed on a number of occasions two major capital projects: the Radio Project and the Forensic Laboratory.

The Radio Project has two major components, the Radio Microwave Project and the Sheriff's Office and Related County Users Radio Upgrade Project. The Radio Microwave Project is sponsored by the Countywide Emergency Services Council. The Emergency Services Council has entered into a contract with Motorola/Harris to design, build and install the system. The majority of the member agencies have taken advantage of paying for their share of the Project in cash over two years. This proposed financing will pay the County's share and two cities, Redwood City and East Palo Alto, who have decided to finance their share over the term of the bonds, 30 years. The two cities will contribute on an annual basis their share and the County will make the bond payments.

The other radio related component is to upgrade and modernize the County Radio System. Most of the major fixed equipment is over 20 years old and has reached the end of its useful life. The major user is the Sheriff's Office, but other County departments that utilize the system include OES, Parks and Recreation, EMS, Animal Control, SMCGR Security, Public Works, District Attorney, Probation, Coroner and Building Inspection.

The other major capital project to be financed at this time is the Forensic Laboratory and Coroner's Office. The Laboratory analyzes criminal evidence from the County's 22 police agencies and the Sheriff and assists the District Attorney and Probation on their criminal cases. The new Laboratory will be located on County property at Tower Road. The plan is for a one story, 29,000 SF steel framed building, planning to utilize the most energy efficient practices available.

Discussion

The State amended the law concerning public financing two years ago as the result of some dubious financing by jurisdictions in central California in other places in the state outside the geographical boundaries of the sponsoring agency. The new law requires a public hearing in the jurisdiction before embarking on a financing. Today's hearing will comply the requirements of the law. The Board needs to make a finding that is included in the resolution that there are demonstrable savings in the utilization of tax free financing and that the final outcome of this process will result in a more efficient delivery of essential services in the areas of emergency communications and criminal justice. The County's Finance team will now begin the work to put a financing package for the two projects and will submit it for review and approval of the County's Joint Power Finance Authority. When that process is completed, the financing package with the approval of the JPA will be submitted for your approval.

Fiscal Impact

The public hearing has no immediate fiscal impact. The \$35,000,000 is the limit of the lease revenue bonds. The actual amount, which will be determined, will be less. When the financing package is completed and has been approved by the JPA, the lease obligations under the financing will be returned to the Board for approval. At that time a complete break down of each section, the cost of each, and the sources of funds to make the lease payments will be identified.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION APPROVING THE ISSUANCE BY THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BOND); FOR THE FINANCING OF CAPITAL PROJECTS, INCLUDING A FORENSICS LABORATORY AND CORONER'S OFFICES AND LAW ENFORCEMENT COMMUNICATION SYSTEM; AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the County of San Mateo (the "County") and the Community Development Commission for the County of San Mateo (the "Commission") have heretofore entered into a Joint Exercise of Powers Agreement, dated May 15, 1993 (the "Joint Powers Agreement"), which Joint Powers Agreement creates and establishes the San Mateo County Joint Powers Financing Authority (the "Authority");

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "JPA Law") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits;

WHEREAS, the County has requested, and it furthers the public purpose for, the Authority to assist the County in the financing of public capital improvements within the County, including a county forensics laboratory, coroner's offices and law enforcement and emergency communication system by the issuance of lease revenue bonds (the "Bonds") of the Authority payable from County lease property;

WHEREAS, in accordance with the JPA law this Board of Supervisors (the "Board") held a public hearing on the proposed financing following publication of the notice of the public hearing at least five days prior thereto in a newspaper of general circulation in the County and the Board hereby approves the financing and finds that it will result in significant

public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs;

NOW THEREFORE, IT IS HEREBY DETERMINED AND RESOLVED, as follows:

Section 1. The foregoing recitals are true and correct and this Board hereby so finds and determines.

Section 2. The Board hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$35,000,000, and requests the Authority to authorize the issuance of such Bonds.

Section 3. The officers and Supervisors of the County are hereby authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 4. This Resolution shall take effect from and after its adoption.

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Supervisors of the County of San Mateo, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of said County duly and regularly and legally held at the regular meeting place thereof on July 3, 2001 of which meeting all of the members of the Board of Supervisors of said County had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes:

Noes:

Absent:

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

I further certify that an agenda of said meeting was posted at least 72 hours prior to the date of the meeting in a place in the City of Redwood City, California, freely accessible to members of the public and that a short description of said resolution appeared on said agenda.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____

Clerk of the Board of Supervisors
County of San Mateo

[Seal]