April 21, 2015

Board of Supervisors
County of Marin
Civic Center
San Rafael, CA 94903

Dear Members of the Board:

SUBJECT: Refinancing/Restructuring options to address building infrastructure and County facilities.

RECOMMENDATION: We are recommending that your Board 1) approve Financing Option 2 described below, 2) authorize the County Administrator and Director of Finance to take necessary actions to implement this financing option and 3) approve a resolution approving the form and authorizing the execution of certain lease financing documents in connection with the offering and sale of Certificates of Participation relating thereto to finance renovations, repairs, construction and improvements to County facilities and infrastructure, and authorizing and directing certain actions with respect thereto.

SUMMARY: At your March 17th workshop, a report outlining significant infrastructure and facilities repair needs was presented to your Board by the Department of Public Works. The presentation is attached for your reference.

While the County has doubled our annual investment in our County buildings and facilities from $2 to $4 million, the remaining needs cannot be accomplished within the annual Capital Improvement Program budget. Given historically low interest rates and in the interest of adequately maintaining our public infrastructure, we recommend refinancing and restructuring our debt over the next 30 years.

The County’s current COP annual payment is $4 million and has 26 years remaining. Financing options for the current COP are as outlined below. Estimates are provided as a range since they are a function of what the final interest rate is at the time the refinancing is executed.

If approved by your Board, staff will return to your Board to allocate the net proceeds for the highest priority capital needs such as the Civic Center roof and fire station improvements.
FINANCING OPTIONS:

1. Refinancing/Restructuring Option 1 - Maintain annual payment rate of $4.0 million
   - Over 30 years
   - Estimated net proceeds between $20 and $24 million

2. Refinancing/Restructuring Option 2 - Increase annual payment rate by 10%, to $4.4 million
   - Over 30 years
   - Estimated net proceeds between $28 and $32 million

Please let us know if you have any questions or concerns.

REVIEWED BY:  [ X ] Department of Finance
               [ X ] County Administrator’s Office

Sincerely,

Matthew Hymel
County Administrator

Roy Given, CPA
Director of Finance

Attachments