



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer – Tax
Collector
Department No.: 065
For Agenda Of: 4/22/2008
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Select_Vote

TO: Board of Supervisors

FROM: Department Bernice James, Treasurer – Tax Collector
Director(s)
Contact Info: Stacey Matson, Investment & Debt Officer
(805) 568 - 2158

SUBJECT: Reimbursement of Project Expenditures From Proceeds Issuance

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Debt Advisory Committee

Sheriff

As to form: Select_Concurrence

Recommended Actions: Consider and adopt the attached resolution enabling the County to reimburse expenditures incurred prior to issuance by the Sheriff's Department, contingent upon County Board of Supervisors approval of the issuance.

Summary Text:

Should the Board of Supervisors approve the financing of these projects, proceeds may be used for the reimbursement of expenditures occurring prior to issuance.

Background:

On March 27, 2008 the Debt Advisory Committee considered and recommended for Board of Supervisors (BOS) consideration and approval a bond proceeds reimbursement resolution for the Sheriff's Jail Project.

Recently, a grant proposal, as approved by the BOS, has been submitted to the State to fund the land acquisition and construction of a new jail facility, to be located in the North County. In addition to the State grant funds, the County would have a share of costs of an estimated \$29 million. A potential Certificates of Participation (COP) issuance, to fund the County's share, is anticipated in 2010, if the grant is approved by the State and the grant and issuance by the BOS.

Significant costs will be incurred prior to issuance, including the land purchase and architectural work. These costs will be funded from existing County funds, including designations of the Sheriff's Department and general fund reserves.

The proposed resolution allows for the reimbursement of expenditures that occur prior to issuance for this project. It establishes reimbursement authority, pursuant to a debt issuance, in an amount not to exceed \$29 million.

Per Internal Revenue Code Section 1.150 "Proceeds of Bonds Used for Reimbursement", to qualify for reimbursement, a resolution of the BOS must be adopted no later than 60 days after payment of the original expenditure and reimbursement must be made within the later of 18 months after the original expenditure is paid, or 18 months after the project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.

Fiscal and Facilities Impacts:

Narrative:

The reimbursement of expenditures would occur after BOS financing approval and upon an actual proceeds issuance.

Staffing Impacts:

Legal Positions:

FTEs:

N/A

Special Instructions:

Please forward three signed, original signature, resolutions to Stacey Matson, Office of the Treasurer – Tax Collector

Attachments:

Resolution

Authored by:

Stacey Matson

cc:

Sheriff William Brown