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PRESERVATION • RECREATION



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July 30, 2013

Board of Supervisors
County of Marin
Marin County Civic Center
3501 Civic Center Drive
San Rafael, California 94903

Board of Directors
Marin County Open Space District

Board of Directors
Marin County Open Space Financing Authority

SUBJECT: PROCEEDINGS TO REFINANCE BONDS PREVIOUSLY ISSUED BY THE MARIN COUNTY OPEN SPACE FINANCING AUTHORITY RELATED TO THE MARIN COUNTY OPEN SPACE DISTRICT COMMUNITY FACILITIES DISTRICT 1993-1, COMMUNITY FACILITIES DISTRICT 1997-1, LITTLE MOUNTAIN OPEN SPACE ASSESSMENT DISTRICT, AND PACHECO VALLE OPEN SPACE ASSESSMENT DISTRICT

Dear Board Members:

RECOMMENDATION:

Acting as the Marin County Board of Supervisors:

1. Conduct a public hearing concerning the benefits of the proposed refinancing.
2. Adopt Resolution Making Findings and Approving the Issuance of Bonds by the Marin County Open Space Financing Authority, and Approving Documents and Actions Regarding Bonds of the Marin County Open Space District Related Thereto.

Then, acting as the Board of Directors of the Marin County Open Space District:

1. Adopt Resolution Making Findings and Approving the Issuance of Bonds by the Marin County Open Space Financing Authority, and Approving Documents and Actions Regarding Bonds of the District Related Thereto

Then, acting as the Board of Directors of the Marin County Open Space Financing Authority:

2. Adopt Resolution Authorizing the Issuance and Sale of Refunding Revenue Bonds and Approving Related Agreements and Actions.

SUMMARY:

The recommended actions pertain to proceedings that, if approved by the various boards, will allow for the refinancing of bonds previously issued in 2002 by the Marin County Open Space Financing Authority. Those bonds, in turn, refinanced bonds originally issued by the Open Space District to purchase open space within the Little Mountain Open Space Assessment District, the Pacheco Valle Open Space Assessment District, Community Facilities District (CFD) 1993-1 and Community Facilities District 1997-1.

The proposed transaction will yield as much as \$380,000 in additional funds available to the Open Space District. The proceeds would be allocated proportionately among the four districts listed above, based on the monetized remaining debt service of each bond issue:

- CFD 1993-1 and CFD 1997-1: 95.15% for
 - (a) Additional open space purchases within the boundaries of these CFDs and/or
 - (b) Additional land management services in the Old St. Hilary's Open Space Preserve.
- Pacheco Valle Open Space Assessment District: 1.71% for additional land management services, such as fire fuel reduction and road/trail management, in that portion of the Pacheco Valle Open Space Preserve that was acquired with funding from the Pacheco Valle Open Space Assessment District.
- Little Mountain Open Space Assessment District: 3.15% for additional land management services, such as fire fuel reduction and road/trail management, in the Little Mountain Open Space Preserve.

Additional details concerning the transaction are contained in the "**DISCUSSION**" section of this staff report, immediately below.

DISCUSSION:

Due to the current lower interest rates in the financial markets, an opportunity has arisen for the Marin County Open Space Financing Authority to refinance its Series 2002 Revenue Bonds, and thereby obtain funds that can be spent on public capital improvements for the Open Space District, without raising the annual special taxes on property owners in Community Facilities District 1993-1, Community Facilities District No. 1997-1 or in the 2002 Consolidated Open Space Reassessment District (which includes the former Little Mountain Open Space Assessments District and the Pacheco Valle Open Space Assessment District). The proposed financing program involves the sale by the Financing Authority of a new series of refunding revenue bonds to refinance its 2002 revenue bonds, and the assignment of the three series of Open Space District bonds (two series of special tax bonds and one series of reassessment bonds) that had been acquired with proceeds of the 2002 revenue bonds to the trustee for the new Financing Authority refunding bonds. The scheduled debt service payable on the three series of Open Space District bonds so assigned to the trustee for the new Financing Authority refunding bonds will constitute the revenues (previously used to pay the 2002 Financing Authority revenue bonds) to pay the scheduled debt service on the new Financing Authority refunding bonds. The savings in interest rates between the new Financing Authority

refunding bonds and the prior 2002 Financing Authority revenue bonds effectively will allow for, depending upon market conditions at the time of sale of the new Financing Authority refunding bonds (expected by mid August), of up to \$380,000 in new funds that can be used for public capital improvements for the Open Space District.

FISCAL IMPACT:

Neither the County's budget nor the District's budget is affected by the refinancing. As discussed above, the refinancing will result in additional moneys available for open space purchases or capital improvements.

All costs of issuing the new Financing Authority refunding bonds will be paid from the proceeds of the new Financing Authority refunding bonds. Ongoing expenses for administering each of the community facilities districts and the reassessment district of the Open Space District are being paid from collected special taxes and reassessments. Administrative expenses for administering the Financing Authority revenue bonds are also payable from collected special taxes and assessments, and otherwise from surplus funds arising from the difference between the debt service paid on the Open Space District's special tax bonds and reassessment bonds and the debt service on the Financing Authority bonds.

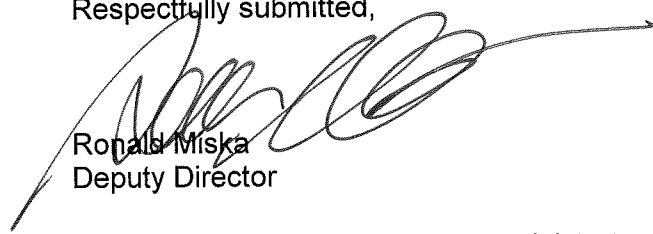
REVIEWED BY:

<input checked="" type="checkbox"/> County Administrator	<input type="checkbox"/> N/A
<input checked="" type="checkbox"/> Dept. of Finance	<input type="checkbox"/> N/A
<input checked="" type="checkbox"/> County Counsel	<input type="checkbox"/> N/A
<input type="checkbox"/> Human Resources	<input checked="" type="checkbox"/> N/A

SPECIAL NOTE:

The version of this document distributed to the general public does not include attachments constituting the refinancing proceedings, due to the volume of those attachments. Members of the public may inspect all documents pertaining to the proceedings in the Marin County Board of Supervisors' Office (Marin County Civic Center, Room 329, 3501 Civic Center Drive, San Rafael) and in the administrative offices of the Marin County Open Space District (Marin County Civic Center, Room 260). A copy will also be available in the Board of Supervisors Meeting Room (Marin County Civic Center, Room 330) on July 30, 2013.

Respectfully submitted,



Ronald Miska
Deputy Director

c: Matthew H. Hymel, County Administrator
 Roy Given, Director of Finance
 Steven M. Woodside, County Counsel
 Steven Perl, Deputy County Counsel