



# Monterey County

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

Legistar File Number: RES 20-031

March 17, 2020

**Introduced:** 3/9/2020

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

- a. Conduct a public hearing under the requirements of the Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and
- b. Consider adopting a resolution approving the issuance of California Enterprise Development Authority revenue obligations, in the aggregate principal amount not to exceed \$6,000,000 for the purpose of the financing of various capital improvements of the Society for the Prevention of Cruelty to Animals for Monterey County, Inc. ("the SPCA").

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing under the requirements of the Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and
- b. Consider adopting a resolution approving the issuance of California Enterprise Development Authority revenue obligations, in the aggregate principal amount not to exceed \$6,000,000 for the purpose of the financing of various capital improvements of the Society for the Prevention of Cruelty to Animals for Monterey County, Inc. ("the SPCA").

### SUMMARY:

The Society for the Prevention of Cruelty to Animals for Monterey County, Inc. ("the SPCA"), a California nonprofit public benefit corporation, requests that the California Enterprise Development Authority (the "Authority"), participate in the issuance of revenue obligations in an aggregate principal amount not to exceed \$6,000,000 for the financing of various capital projects. The projects include the constructing, improving, rehabilitating, equipping, installing and furnishing of an approximately 2,900 square foot facility dedicated to animal care, an approximately 3,200 square foot facility including an animal training pavilion, staff offices, ADA compliant restrooms, an existing education center which will be remodeled, and related infrastructure and other related facilities located at 1002 Monterey-Salinas Highway 68, Monterey, California 93940.

The Authority requests that the Board of Supervisors approve the issuance of revenue obligations by the Authority to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986 (the "Code") and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of July 1, 1988 (the "Agreement"), among certain local agencies, including the County, and following the hearing, adopt a resolution approving the issuance of revenue obligations by the Authority. The County will have no obligation whatsoever with respect to the payment or administration of these revenue obligations.

### DISCUSSION:

The SPCA owns and operates a comprehensive animal rescue, rehabilitation and adoption center.

Since 1905, the SPCA has provided animal care, adoption and educational services to the animals and people of Monterey County, and is the only open admission animal shelter in Monterey County, open to all animals in need. The SPCA provides veterinary care, rehabilitation and treatment to homeless animals and operates the only wildlife rescue and rehabilitation center in the County.

The Authority will loan the proceeds of the revenue obligations to the SPCA to (a) finance the cost of constructing, improving, rehabilitating, equipping, installing and furnishing of (i) an approximately 2,900 square foot facility dedicated to animal care, including behavioral training and recovery space, dog kennels, indoor and outdoor play yards for dogs, staff offices, restrooms, and storage and meal preparation rooms, (ii) an approximately 3,200 square foot facility including an animal training pavilion open to the public for dog training classes, staff offices, ADA compliant restrooms, and meal preparation, storage and private consultation rooms, (iii) an existing education center which will be remodeled to include ADA compliant restrooms and (iv) related infrastructure and other related facilities all located at 1002 Monterey-Salinas Highway 68, Monterey, California 93940 (collectively, the "Facilities"); and (b) pay certain costs of issuance in connection with the financing (collectively, the "Project"). The Facilities are intended to better accommodate existing uses on the property without adding or increasing employee, visitor, or traffic counts.

The California Enterprise Development Authority is a Joint Exercise of Powers Authority created in 2006 to address gaps in economic development financing to help fund projects for nonprofit organizations located within current and future member jurisdictions.

The issuance of the revenue obligations by Authority must be approved by the governmental unit on behalf of which the revenue obligations are issued and a governmental unit having jurisdiction over the territorial limits in which the Facilities are located, pursuant to the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986 (the "Code"). The Facilities are located within the territorial limits of the County, and the Board of Supervisors is the elected legislative body of the County and is the applicable elected representative required to approve the issuance of the revenue obligations under Section 147(f) of the Code.

The Authority requests that the Board approve the issuance of the revenue obligations by the Authority for the purposes of financing the Project to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, among certain local agencies, including the County. Pursuant to Section 147(f) of the Code, the Board, following notice duly given, will hold a public hearing regarding the issuance of the revenue obligations. Required notice of the public hearing was provided, consistent with TEFRA requirements, by publication in *The Monterey Herald* on March 6, 2020.

The revenue obligations to be issued by the Authority will be the sole responsibility of the project owners, and the County will have no financial, legal, moral obligation, liability, or responsibility for the facilities or the repayment of the revenue obligations. All relevant financing documents with respect to the issuance will contain clear disclaimers that the revenue obligations are not obligations of the County or the State, but are to be paid solely from funds provided by the Authority.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed the Notice and proposed Resolution as to form and legality.

FINANCING:

The payment of principal, prepayment premium, if any, and purchase price of and interest on the revenue obligations shall be solely the responsibility of the Authority and the SPCA. The County shall not bear any responsibility for the issuance of the revenue obligations, the tax-exempt status of the revenue obligations, nor the repayment of the revenue obligations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the economic development strategic initiative as these revenue obligations are vehicles of economic development that promote a diverse and healthy economy.

X Economic Development

\_\_ Administration

\_\_ Health & Human Services

\_\_ Infrastructure

\_\_ Public Safety

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Attachments: Resolution; Proof of Publication and Notice of Public Hearing