



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: 15-0776

July 14, 2015

Introduced: 7/7/2015

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

Adopt a Resolution declaring the official intent of the County of Monterey to reimburse certain expenditures from proceeds of indebtedness, including expenses relating to the Monterey County Government Center (MCGC) East/West Wing Renovation Project and Schilling Place Tenant Improvement Project.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution declaring the official intent of the County of Monterey to reimburse certain expenditures from proceeds of indebtedness, including expenses relating to the Monterey County Government Center (MCGC) East/West Wing Renovation Project and Schilling Place Tenant Improvement Project.

SUMMARY:

Staff recommends that the Board of Supervisors adopt the attached Resolution of Intention for the purpose of complying with Treasury Regulation Section 1.150-2. The purpose of the resolution is to capture costs and expenses relating to the MCGC East/West Wing Renovation Project (E/W Project) and the Schilling Place Tenant Improvement Project (Schilling Project) from the indebtedness that is anticipated to be incurred before the issuance and receipt of Certificates of Participation (COP) Funding.

DISCUSSION:

The E/W Project consists of a complete renovation of the building which includes removal and replacement of all interior partitions, finishes, and building systems. The exterior envelop will receive new windows, doors, and roof. Historic exterior elements will be preserved untouched and historic interior elements will be removed and reused per the State Historic Preservation Guidelines. The surrounding site approach, access, and courtyard will become code compliant. The rehabilitation for the E/W Project is estimated at \$36 million.

The Schilling Project consists of upgrading interior finishes such as paint and carpet, installation of demountable storefront partition walls, upgrading the telecommunication systems, reconfiguring existing workstations, and a new roof. Surrounding site approach and access will become code compliant. The rehabilitation for the Schilling Project is estimated at \$16 million.

On May 5, 2015 the Board of Supervisors supported both projects to move forward and granted the Debt Service Manager the authority to execute documents to facilitate the issuance of the COPs to finance the projects in an amount not to exceed \$52 million.

Section 1.150-2 of the Treasury Regulations (26 CFR 1.150 2) requires an Issuer to declare its reasonable official intent to reimburse prior expenditures for a Project(s) from proceeds of a

subsequent borrowing. The County has, and is, incurring significant expenses for services such as staff time, design consultants, special inspections, permits, demolition, and re-roofing. This resolution assures compliance with Treasury Regulations. Should the Project(s) not be completed, or if no indebtedness is issued, no reimbursement is possible from bond proceeds.

OTHER AGENCY INVOLVEMENT:

The County Administrative Officer concurs with this recommendation. The Offices of the County Counsel and Auditor-Controller have provided input into the drafting of this resolution.

FINANCING:

Adoption of this resolution would allow reimbursement of certain qualified reimbursements from future bonded indebtedness taking place within the statutorily allowed time frame.

Prepared by:

Approved by:

Donald D. Searle, NCARB, LEEDAP
Architectural Services Manager

Dewayne Woods
Assistant County Administrative Officer

Prepared Date: July 3, 2015

Attachment: Resolution Declaring the Official Intent of Monterey County to Reimburse Certain Expenditures from Proceeds of Indebtedness Relating to the MCGC East/West Wing Renovation Project and the Schilling Place Project