



County of Monterey

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

Board Report

File #: 16-929, **Version:** 1

- a. Conduct a public hearing under the requirements of Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and
- b. Adopt a resolution approving the issuance of up to \$18,000,000 in tax-exempt revenue bonds by the California Municipal Finance Authority (CMFA) for Goodwill Central Coast to finance the acquisition of a building to be owned by the Borrower and refinance previously issued revenue bonds.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing under the requirements of Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and,
- b. Adopt a resolution approving the issuance of up to \$18,000,000 in tax-exempt revenue bonds by the California Municipal Finance Authority (CMFA) for Goodwill Central Coast to finance the acquisition of a building to be owned by the Borrower and refinance previously issued revenue bonds.

SUMMARY AND DISCUSSION:

Goodwill Central Coast, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Borrower"), has requested that the California Municipal Finance Authority issue up to \$18,000,000 in tax-exempt revenue bonds for the purposes of: (i) refinancing the California Statewide Communities Development Authority Revenue Bonds (Goodwill of Santa Cruz), Series 2008, which bonds financed acquisition, construction and equipping of a training facility for disabled and disadvantaged persons and a retail store owned by the Borrower and located at 1550 41st Avenue, Capitola, California, (ii) financing costs of acquisition, renovation and equipping of an approximately 98,000 square foot building to be owned by the Borrower and located at 1566 Moffett Street in Salinas, California, within Monterey County, California (the "County"), to house the Borrower's administrative headquarters as well as serve as its primary hub for material handling, bulk sales, processing and distribution (the "Project") and (iii) financing certain expenses incurred in connection with the issuance of the Bonds.

In order for the CMFA to issue tax-exempt bonds under the Internal Revenue Code, the local government agency having jurisdiction over the area in which the project is located must hold a properly noticed public hearing pursuant to TEFRA (26 U.S.C 147 (f)) and adopt a resolution approving sale of the private activity bonds.

The County of Monterey is a member of the CMFA. The Joint Exercise of Powers Agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

The Bonds to be issued by the CMFA for the Project will be the sole responsibility of the Borrower, and the County will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the County or the State of

California but are to be paid for solely from funds provided by the Borrower.

OTHER AGENCY INVOLVEMENT:

County Counsel, and the County Administrative Office have reviewed this request and concur with the recommendations.

FINANCING:

The staff cost of processing this request has been financed by Fund 001, Budget Unit 1110 (Auditor-Controller). If the bonds are issued, a portion of the issuance fees estimated to total \$8,000 will be deposited in Fund 001.

Prepared by: Ron Holly, Chief Deputy Auditor Controller, x5493

Approved by: Michael J. Miller, CPA, CISA, Monterey County Auditor-Controller, x5084

Attachments:

Resolution

Form of Notice