

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-8

Urgent

Routine

AGENDA DATE October 24, 2006

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of a Resolution to Authorize and Execute an Associate Membership Agreement by and Between the California Enterprise Development Authority for the Issuance of Revenue Bonds for Community Hospice, Inc. and Hughson Samaritan Village

STAFF RECOMMENDATIONS:

1. Approve the resolution authorizing the execution of the Associate Membership Agreement by and between the California Enterprise Development Authority and the County of Stanislaus.
2. Authorize the Chairman of the Board of Supervisors to sign the Associate Membership Agreement.

FISCAL IMPACT:

The fiscal impact associated with the Boards approval of the agreement relates to the cost of County staff involved in preparation of the agenda item and the review done by the Debt Advisory Committee. Conduit revenue bonds are a special, limited obligation of the Authority payable solely through the payment of principal and interest from the borrower. In most cases the bonds will be secured by a letter of credit from a bank with a minimum rating of A/A-1 from Standard and Poor's or comparable minimum rating from another nationally recognized rating agency.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2006-851

On motion of Supervisor Mayfield, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Mayfield, DeMartini, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: Grover

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION: THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR AND PLACED ON NON-CONSENT


CHRISTINE FERRARO TALLMAN, Clerk

ATTEST:

File No.

FISCAL IMPACT (Continued):

The bonds are typically secured with a municipal bond insurance policy or can be privately placed with a sophisticated investor. As such, any bonds issued by the Authority will not be a direct obligation of the Authority, the County or any member of the Authority. Neither the faith or credit, nor the taxing power of the County, any member of the Authority, the State or any political subdivision is pledged to the repayment of the bonds.

DISCUSSION:

Federal and State laws provide the ability for cities and counties to join together under cooperative agreements to form Joint Powers Authorities to issue tax-exempt and taxable bonds to fund projects that provide a public benefit and serve the needs of residents within the jurisdictions of the participating members. Cities and Counties in California have the ability to act as issuers of conduit revenue bonds, but many jurisdictions utilize Joint Powers Authorities primarily for economies of scale, to access specialized transaction knowledge and resources, and to avoid using valuable local staff time on these types of transactions. The Authority is a Joint Powers Authority whose purpose is to issue tax-exempt and taxable conduit revenue bonds to fund facilities for for profit and nonprofit organizations located within the County in financing industrial and commercial development projects and other public purpose projects within the current and future member jurisdictions.

Community Hospice, Inc., a nonprofit public benefit corporation ("Community Hospice") described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), is in the process of refinancing the cost of acquiring, constructing, improving, rehabilitating, equipping and furnishing an administrative facility located at 4368 Spyres Way, Modesto, California 95356 and a community hospice facility located at 2201 Euclid Avenue, Hughson, California 95326 (the "Hospice Facilities"), through the Authority. Community Hospice provides terminally ill patients in Stanislaus County with medical, physical and emotional care on an outpatient basis during the final days of their lives. Headquartered in Modesto, Community Hospice uses a Hospice Team approach to provide in-home patient care and support. Team members can include doctors, nurses, physical therapists, social workers, spiritual and religious advisors, counselors, caregivers, friends and family members. The Hospice Facilities were completed in May 2005.

Hughson Samaritan Village, a nonprofit public benefit corporation ("Samaritan Village") described in Section 501(c)(3) of the Code, is also in the process of refinancing the costs of acquiring, constructing, improving, equipping and furnishing two, three-story buildings containing 104 independent living units for seniors and an expanded common dining room all located at 7700 Fox Road, Hughson, California 95326 (the "Samaritan Facilities") through the Authority. Samaritan Village is the result of the vision and efforts of community leaders to

provide seniors with an affordable and well-appointed living environment that can be their home for the rest of their lives. Situated on a 20-acre campus located approximately 12 miles south of Modesto, Samaritan Village currently has 83 one- and two-bedroom, market-rate rental apartments or cottages; 63 assisted living units; recreation facilities, including an indoor swimming pool; the Village Mall that houses dining and social service facilities; and Hospice House residence for terminally-ill individuals. Samaritan Village has constructed the Samaritan Facilities on a vacant portion of the campus. It is expected that construction of the Samaritan Facilities will be completed by November 2006. The Authority's activities are dedicated to providing economic assistance to for profit and nonprofit organizations with projects in member jurisdictions.

The financings for Community Hospice and Samaritan Village involve the issuance of tax-exempt bonds and may be completed through the Authority only if the County joins the Authority as an associate member and approves the financings. Once a member, other nonprofit corporations with projects in the County of Stanislaus may utilize the Authority's services as well. The Hospice Facilities and the Samaritan Facilities have already received all necessary discretionary permits.

POLICY ISSUES:

Approval of this agreement is consistent with the Board of Supervisors priority of effective partnerships.

STAFFING IMPACT:

Existing staff of the Debt Advisory Committee including Chief Executive Office and County Counsel have and will assist in completing the necessary staff work.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: October 24, 2006

No. 2006-851

On motion of Supervisor Mayfield, Seconded by Supervisor O'Brien,
and approved by the following vote,

Ayes: Supervisors: O'Brien, Mayfield, DeMartini, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: Grover

*B-8

THE FOLLOWING RESOLUTION WAS ADOPTED:

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE
COUNTY OF STANISLAUS IN THE CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN
ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO
ASSOCIATE MEMBERSHIP OF THE COUNTY IN THE
AUTHORITY**

RESOLVED, by the Board of Supervisors (the "Board of Supervisors") of the County of Stanislaus (the "County"), as follows:

WHEREAS, Community Hospice, Inc. ("Community Hospice"), a nonprofit, public benefit corporation organized and existing under the laws of the State of California, has requested that the County assist in the financing and refinancing of certain capital facilities located at 4368 Spyres Way, Modesto, California 95356 and 2201 Euclid Avenue, Hughson, California 95326 for Community Hospice in and to the benefit of the County;

WHEREAS, Hughson Samaritan Village ("Samaritan Village"), a nonprofit, public benefit corporation organized and existing under the laws of the State of California, has requested that the County assist in the financing and refinancing of certain capital facilities located at 7700 Fox Road, Hughson, California 95326 for Samaritan Village in and to the benefit of the County;

WHEREAS, in furtherance thereof and to facilitate such requests, the County desires to become an associate member of the California Enterprise Development Authority (the "Authority"); and

WHEREAS, the form of associate membership agreement (the "Associate Membership Agreement") between the County and the Authority has been filed with the County, and the members of the Board of Supervisors, with the aid of the County's staff, have reviewed the Associate Membership Agreement;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors the County of Stanislaus, hereby finds, determines and declares as follows:

Section 1. Associate Membership in the Authority. The Board of Supervisors hereby approves associate membership by the County in the Authority.

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California,

Christine Ferraro
By:

File No.

Section 2. Approval of Associate Membership Agreement. The Board of Supervisors hereby approves the form of, and authorizes the Chairman of the Board of Supervisors, the County Executive Officer or any designee of such officers, to execute the Associate Membership Agreement and authorizes the Clerk of the Board of Supervisors to attest to such signature, in substantially the form on file with the Clerk of the Board of Supervisors, together with any changes therein deemed advisable by the official signing the Associate Membership Agreement.

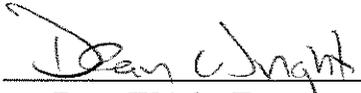
Section 3. Official Action. The Chairman of the Board of Supervisors, the County Executive Officer, the Clerk of the Board of Supervisors and other officers and officials of the County, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to associate membership in the Authority including but not limited to the execution and delivery of any and all agreements, certificates instruments and other documents which they, or any of them, may deem necessary or desirable and not inconsistent with the purposes of this resolution.

Section 4. Effective Date. This Resolution shall take effect upon its adoption by the Board of Supervisors.

RESOLVED FURTHER, the Clerk of the Board of Supervisors of the County of Stanislaus shall certify the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

Approved as to Form and Legality

Michael H. Krausnick,
County Counsel

By 
Dean Wright, Esq.,
Deputy County Counsel

ASSOCIATE MEMBERSHIP AGREEMENT

by and between the

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

and the

COUNTY OF STANISLAUS, CALIFORNIA

THIS ASSOCIATE MEMBERSHIP AGREEMENT (this "Associate Membership Agreement"), dated as of November 1, 2006, by and between CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the "Authority") and the COUNTY OF STANISLAUS, CALIFORNIA, a political subdivision, duly organized and existing under the laws of the State of California (the "County");

WITNESSETH:

WHEREAS, the Cities of Selma, Lancaster and Eureka (individually, a "Member" and collectively, the "Members"), have entered into a Joint Powers Agreement, dated as of June 1, 2006 (the "Agreement"), establishing the Authority and prescribing its purposes and powers; and

WHEREAS, the Agreement designates the Executive Committee of the Board of Directors and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority; and

WHEREAS, the Authority has been formed for the purpose, among others, to assist for profit and nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest; and

WHEREAS, the Agreement permits any other local agency in the State of California to join the Authority as an associate member (an "Associate Member"); and

WHEREAS, the County desires to become an Associate Member of the Authority;

WHEREAS, Board of Supervisors of the County has adopted a resolution approving the Associate Membership Agreement and the execution and delivery thereof;

WHEREAS, the Board of Directors of the Authority has determined that the County should become an Associate Member of the Authority;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Authority and the County do hereby agree as follows:

Section 1. Associate Member Status. The County is hereby made an Associate Member of the Authority for all purposes of the Agreement and the Bylaws of the Authority, the provisions of which are hereby incorporated herein by reference. From and after the date of execution and delivery of this Associate Membership Agreement by the County and the Authority, the County shall be and remain an Associate Member of the Authority.

Section 2. Restrictions and Rights of Associate Members. The County shall not have the right, as an Associate Member of the Authority, to vote on any action taken by the Board of Directors or by the Voting Members of the Authority. In addition, no officer, employee or representative of the County shall have any right to become an officer or director of the Authority.

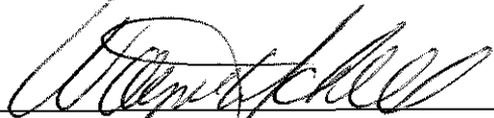
Section 3. Effect of Prior Authority Actions. The County hereby agrees to be subject to and bound by all actions previously taken by the Members and the Board of Directors of the Authority to the same extent as the Members of the Authority are subject to and bound by such actions.

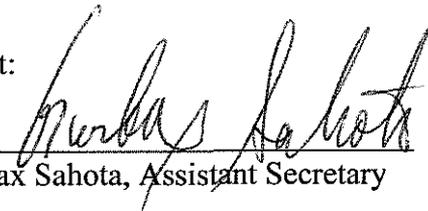
Section 4. No Obligations of Associate Members. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the County.

Section 5. Execution of the Agreement. Execution of this Associate Membership Agreement and the Agreement shall satisfy the requirements of the Agreement and Article XII of the Bylaws of the Authority for participation by the County in all programs and other undertakings of the Authority.

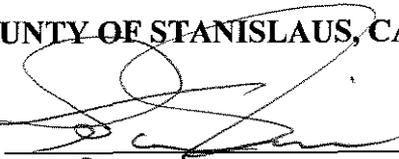
IN WITNESS WHEREOF, the parties hereto have caused this Associate Membership Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

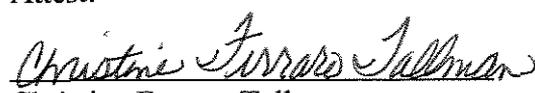
**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

By: 
Wayne Schell, Chairman of the
Board of Directors

Attest: 
Gurbax Sahota, Assistant Secretary

COUNTY OF STANISLAUS, CALIFORNIA

By: 
Name: Ray Simon
Title: Chairman

Attest: 
Christine Ferraro Tallman,
Clerk of the Board of Supervisors