



Legislation Details (With Text)

File #: ID 20-001225 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 9/11/2020 **In control:** City Council
On agenda: 9/24/2020 **Final action:** 9/24/2020

Title: Actions pertaining to issuance and sale of Series 2020A Bonds for construction of a new animal control facility:
 1. ***RESOLUTION - Approving the issuance and sale of Series 2020A (tax exempt) bonds by the Fresno Joint Powers Financing Authority under the Master Lease Projects in a principal amount not to exceed an aggregate \$22 million, authorizing the execution and delivery of all documents and the taking of all necessary action relating to the financing. (City action) (Requires 5 affirmative votes) (Subject to Mayor's veto)
 2. RESOLUTION of the Fresno Joint Powers Financing Authority authorizing the issuance and sale of Series 2020A (tax exempt) bonds under the Master Lease Projects in a principal amount not to exceed an aggregate \$22 million, authorizing the execution and delivery of all documents and the taking of all necessary action relating to the financing. (Authority action - Mayor Brand, Council President Arias, Councilmember Soria)

Sponsors: Finance Department

Indexes:

Code sections:

Attachments: 1. JPA Resolution--Animal Shelter 4138-8852-3044 4.pdf, 2. City Council Resolution--Animal Shelter 4138-5496-8612 4.pdf, 3. Fresno JPFA - CDC (clean).pdf, 4. Fresno JPFA - POS (clean).pdf, 5. Fourth Amendment to Master Facilities Lease - Fresno Animal Services Fac..., 6. Fourth Amendment to Master Facilities Sublease - Fresno Animal Services ..., 7. Fourth Supplemental Trust Agmt - Fresno Animal Services Facility 4152-78..., 8. 9-17 Bond Purchase Agreement - Fresno City Animal Shelter Lease Revenue ...

Date	Ver.	Action By	Action	Result
9/24/2020	1	City Council	adopted	Pass
9/24/2020	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

September 24, 2020

FROM: MICHAEL LIMA, Finance Director/City Controller
Finance Department

BY: PHILLIP HARDCASTLE, Principal Accountant - Debt Administration
Finance Department

SUBJECT: Actions pertaining to issuance and sale of Series 2020A Bonds for construction of a new animal control facility:

1. ***RESOLUTION - Approving the issuance and sale of Series 2020A (tax exempt) bonds by the Fresno Joint Powers Financing Authority under the Master Lease Projects in a principal amount not to exceed an aggregate \$22 million, authorizing the execution and delivery of all documents and the taking of all necessary action relating to the financing. (City action) (Requires 5 affirmative votes) (Subject to Mayor's veto)
2. RESOLUTION of the Fresno Joint Powers Financing Authority authorizing the issuance and sale of Series 2020A (tax exempt) bonds under the Master Lease Projects in a principal amount not to exceed an aggregate \$22 million, authorizing the execution and delivery of all documents and the taking of all necessary action relating to the financing. (Authority action - Mayor Brand, Council President Arias, Councilmember Soria)

RECOMMENDATION

Staff recommends adoption of the subject resolutions approving the issuance by the Fresno Joint Powers Financing Authority (JPFA) of up to an aggregate principal amount not to exceed \$22 million in Lease Revenue Bonds. Staff also recommends approving the execution and delivery of amendments to the Master Trust Agreement, the Master Facilities Lease, the Master Facilities Sublease, an Escrow Agreement, a Bond Purchase Contract, an Official Statement and a Continuing Disclosure Certificate; and authorizing the taking of all necessary action relating to the financing.

EXECUTIVE SUMMARY

Staff is requesting that the Fresno Joint Powers Financing Authority authorize, and the City of Fresno approve, the issuance and sale of additional lease revenue bonds (Series 2020A) for the purpose of constructing an animal control facility to accommodate the City's need to shelter and control animal populations. The new bonds will have with a true interest cost not to exceed 5 percent and are expected to mature no later than April 1, 2046. Staff also recommends the authorization, execution and delivery of all documents, and the taking of all necessary actions relating to the financing.

BACKGROUND

The City of Fresno has an urgent need to build a new animal control facility to serve the needs of the community. On June 20, 2019, the Council approved a Third Amendment to the Agreement entered between the City of Fresno and the Central California Society for the Prevention of Cruelty to Animals (CCSPCA), which included a one-year extension of services through June 30, 2020. The CCSPCA has verbally indicated their desire to discontinue services to the City as they transition to a new business model, thus driving the need to design and construct a City-owned animal control facility.

The new Animal Control Facility will be located on the 5.1 acre property acquired from The Gap, Inc., in February 2020, with an address of 5277 E. Airways Blvd, Fresno, CA 93727. A construction contract for the facility was awarded by Council to Northstar General on May 21, 2020. The facility will contain five buildings, ranging in sizes from approximately 3,800 to 13,250 sq. ft. The five buildings in the complex will consist of a main building for the administrative, operational, and customer service uses; a second building that will house the veterinarian services and isolation rooms for injured and recovering animals; and the remaining three buildings will provide animal housing. The new facility is planned to be completed and operational by late 2021.

The new facility will allow for the annual intake of approximately 10,000-15,000 animals, with about 8,000-12,000 of those being dogs and 1,000-3,000 being cats. The facility will provide a number of

kennels and play yards for the animals, while also providing adequate space for personnel to intake animals and process adoptions. Additionally, the facility will include a medical suite for veterinarian services.

All five buildings will be constructed so that solar panels can easily be installed and incorporated into the electrical system. The Animal Shelter Project is being developed with a planned on-site solar component to offset the facility's energy with renewable power. The solar project will be a combination of rooftop solar and solar shade structures that will be sized to offset up to 100% of its expected energy needs.

The facility will be owned by the Joint Powers Financing Authority, and leased back to the City at a rate equivalent to the annual debt service payment. The facility will also be added to the assets listed under the 2008 Master Lease; meaning that the facility will be the collateral for the bond issue. The bond issue will have a 25-year maturity, with final maturity occurring on April 1, 2046. The annual debt service is estimated to be no greater than \$1.8 million. However, the actual annual debt service will not be known until the bonds are sold.

Staff anticipates selling the bonds in early October, with a close of sale by the end of October. Staff recommends that Council approves the resolutions authorizing the issuance and sale of the Series 2020A bonds, provides authorization to execute and deliver various documents associated with the refinancing, and permit the taking of all necessary action relating to the financing.

ENVIRONMENTAL FINDINGS

This item is not a project of the City of Fresno and as such, the California Environmental Quality Act requirements are not applicable.

LOCAL PREFERENCE

Local preference was not considered because the resolutions do not include a bid or award of a construction or service contract.

FISCAL IMPACT

The facility will be owned by the Joint Powers Financing Authority. It will be leased back to the City at a rate equivalent to the annual debt service payment, which are expected not to exceed \$1.8 million. Funds for this lease payment will be a General Fund obligation beginning in Fiscal Year 2022.

Attachments: JPA Resolution - Animal Shelter
City Council Resolution - Animal Shelter
Preliminary Official Statement (POS)
Continuing Disclosure Certificate (CDC)
Fourth Amendment to Master Facilities Lease
Fourth Amendment to Master Facilities Sublease
Fourth Supplemental Trust Agreement
Bond Purchase Agreement