

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

DEPT: Chief Executive Office

BOARD AGENDA #: \*B-8

AGENDA DATE: August 2, 2016

**SUBJECT:**

Approval to Set a Public Hearing of the Stanislaus County Board of Supervisors at 6:35 PM on August 16, 2016, Concerning the Possible Execution, Sale and Delivery of a Lease with the Stanislaus County Capital Improvements Financing Authority in Order to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the County's Community Services Facility

**BOARD ACTION AS FOLLOWS:**

No. 2016-396

On motion of Supervisor Withrow , Seconded by Supervisor Chiesa  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:   
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office  
Urgent  Routine

BOARD AGENDA #: \*B-8

*phd*

AGENDA DATE: August 2, 2016

CEO CONCURRENCE: 

4/5 Vote Required: Yes  No

**SUBJECT:**

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**STAFF RECOMMENDATIONS:**

1. Set a Public Hearing of the Stanislaus County Board of Supervisors at 6:35 PM on August 16, 2016, Concerning the Possible Execution, Sale and Delivery of a Lease with the Stanislaus County Capital Improvements Financing Authority for the Heating, Ventilation and Air Conditioning System at the County's Community Services Facility.

**DISCUSSION:**

A hearing of the Board of Supervisors is required concerning the possible execution, sale and delivery of a lease with the Stanislaus County Capital Improvements Financing Authority (CIFA) which is a component of the overall financing plan for the Community Services Facility Heating Ventilation and Air Conditioning (HVAC) Project.

Community Services Facility Heating Ventilation and Air Conditioning Project

The Community Services Facility (CSF) was constructed in 1994 and is comprised of four pods. Current tenants include over 1,300 employees from the Community Services Agency (CSA), Department of Child Support Services (DCSS), Women, Infants and Children, Nutrition and Education Programs and the Alliance Worknet. On an average 1,200 customers are served per day by County employees at the CSF.

The existing heating ventilation and air conditioning (HVAC) units at the CSF consist of eleven large custom-built rooftop Direct Expansion (DX) air-cooled HVAC units. Each unit serves approximately 10% of the building area. The County has replaced numerous reciprocating compressors over the past years. On August 2008, the Board of Supervisors approved a plan to replace the HVAC units at the Community Services Facility. At the time, the system was nearing the end of its useful life and was struggling to handle the needed load for staff and customers. The project was placed on hold due to economic factors facing the County at that time.

Since 2008, the HVAC system has continued to significantly deteriorate and requires regular maintenance and repair, requiring full-time staff from the General Services Agency to ensure its continued operation. On October 20, 2015, the Board of Supervisors authorized the Project Manager to proceed with the project and develop a financing strategy.

Approval to Set a Public Hearing of the Stanislaus County Board of Supervisors at 6:35 PM on August 16, 2016, Concerning the Possible Execution, Sale and Delivery of a Lease with the Stanislaus County Capital Improvements Financing Authority in Order to Finance the Installation of a Heating, Ventilation and Air Conditioning System at the County's Community Services Facility

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On October 20, 2015, the Board of Supervisors authorized the Project Manager to issue a Request for Statement of Qualifications (RFSOQ) for the pre-qualification of design-build teams for the CSF HVAC project. Subsequently a Request for Proposals (RFP) was issued on May 6, 2016 to the pre-qualified Design Build Teams. Four proposals were received and the top three finalist proposals were invited to participate in an extensive best and final proposal process in strict accordance with the provisions of the Public Contracts Code. The top three Design Build proposals were received from:

1. Champion Industrial Contractors
2. ACCO Engineered Systems Incorporated
3. Lawson Mechanical Contractors

The top finalist proposal team and project plan will be recommended to the Board of Supervisors for final consideration and approval at the regularly scheduled Board of Supervisors' Meeting on August 16, 2016.

**POLICY ISSUE:**

In accordance with Government Code 6586.5, the Board of Supervisors will hold a public hearing to consider public testimony concerning the possible execution, sale and delivery of a lease with the Stanislaus County Capital Improvements Financing Authority in order to finance the installation of heating, ventilation and air conditioning systems at the County's Community Services Facility located at 251 East Hackett Road in Modesto, California.

**FISCAL IMPACT:**

As the Departments within the Community Services Facility provide programs and services that are primarily federally funded, in order to fully claim the cost of the replacement, including any interest, the funding for the HVAC system replacement project must come from a bona fide third party such as a bank or a public bond offering. The County would not be able to fund the cost of the project with the expectation of being repaid with interest. The use of Tobacco Securitization funds also does not meet the third party requirement. The project was estimated to cost from \$10 million to \$11.3 million. The project is likely to cost less due to the best and final proposals received.

On May 3, 2016, the Board of Supervisors approved a financing strategy which was supported by the Debt Advisory Committee on January 27, 2016, that included the defeasance (payoff) of the 2007 Certificates of Participation (COPS) Series. By defeasing the 2007 COPS the County can pledge the Community Services Facility Pod C as a pledged asset for the project.

On June 7, 2016, the County's Financial Advisor, KNN Public Finance, along with a placement agent Raymond James issued a Request for Proposals (RFP) for financing of the Community Services Facility HVAC Project. The RFP called for a term of 15 years with an expected net borrowing of \$9 million using a tax-exempt Bank Qualified Direct Purchase COP lease financing. Direct Purchase allows the private placement of the borrowing directly with the Bank rather than the issuance of bonds. The County received six responses to this RFP from Bank of America, Bank of the West, Capital One, Municipal Finance Corporation and Umpqua Bank.

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On July 19, 2016, the Project Manager along with the County's Financial Advisor made a recommendation to the Debt Advisory Committee to select the financing proposal bidder who offered the most favorable terms for the County. The Debt Advisory Committee supported the recommendation. The Project Manager will bring this financing recommendation along with a recommendation to award a Design Build Contract on August 16, 2016.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended actions support the Board's priorities of A Healthy Community, Efficient Delivery of Public Services and Effective Partnerships by ensuring staff and Community members have a sound physical environment in which to conduct business.

**STAFFING IMPACT:**

This project will be delivered successfully by the County's Capital Projects Team.

**CONTACT PERSON:**

Patricia Hill Thomas, Project Manager. Telephone: (209) 525-6333

**ATTACHMENT(S):**

1. Notice of Public Hearing

# Attachment 1

## STANISLAUS COUNTY NOTICE OF PUBLIC HEARING

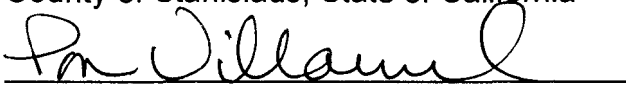
NOTICE IS HEREBY GIVEN that, in accordance with Government Code Section 6586.5, the Board of Supervisors of the County of Stanislaus (the "County") will hold a public hearing at 6:35 p.m. on August 16, 2016 or as soon thereafter as the matter can be considered, in the Chambers of the Board of Supervisors of the County of Stanislaus, 1010 Tenth Street Place, Modesto, California, at which time it will consider public testimony concerning the possible execution, sale and delivery of a lease with the Stanislaus County Capital Improvements Financing Authority in order to finance the installation of a heating, ventilation and air conditioning system at the County's Community Services Facility located at 251 Hackett Road, Modesto, California.

NOTICE IS FURTHER GIVEN that, at the said time and place, all persons will be given the opportunity to speak for or against the proposed action. For additional information, call Cynthia Thomlison in the Stanislaus County Chief Executive Office at (209) 525-6333.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: August 2, 2016

ATTEST: ELIZABETH A. KING, Clerk of  
the Board of Supervisors of the  
County of Stanislaus, State of California

  
BY: Pam Villarreal, Assistant Clerk of the Board

**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Aug 05, 2016

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I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

August 5th, 2016

(By Electronic Facsimile Signature)

Cynthia A. Villarreal

STANISLAUS COUNTY  
NOTICE OF PUBLIC HEARING  
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NOTICE IS FURTHER GIVEN that, at the said time and place, all persons will be given the opportunity to speak for or against the proposed action. For additional information, call Cynthia Thomlison in the Stanislaus County Chief Executive Office at (209) 525-6333. BY ORDER OF THE BOARD OF SUPERVISORS. DATED: August 2, 2016 ATTEST: Elizabeth A. King, Clerk of the Board of Supervisors of the County of Stanislaus, State of California. BY: Pam Villarreal, Assistant Clerk of the Board.  
Pub Dates Aug 5, 2016