

**PLEASANT VALLEY RECREATION & PARK DISTRICT
ADMINISTRATION BUILDING, ROOM #7
1605 E. BURNLEY ST., CAMARILLO, CALIFORNIA**

**BOARD OF DIRECTORS
SPECIAL MEETING AGENDA
October 24, 2019**

7:00 P.M.

SPECIAL MEETING

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. ADOPTION OF AGENDA

5. OPEN COMMUNICATIONS/PUBLIC FORUM

In accordance with Government Code Section 54954.3, the Board reserves this time to hear from the public. Pursuant to Government Code Section 54956, no business other than what is set forth in this special meeting agenda may be considered by the Board. If you would like to speak about an item on the agenda, we would prefer you complete a Speaker Card and wait until it comes up. Speakers will be allowed three minutes to address the Board.

6. NEW ITEMS – DISCUSSION/ACTION

A. Potential Financing Options for the Pleasant Valley Recreation and Park District Senior and Community Recreation Facility

A presentation for the consideration of financing options regarding the Senior and Community Recreation Facility project.

Suggested Action: Provide staff direction.

7. ORAL COMMUNICATIONS

Informal items from Board Members or staff not requiring action.

8. ADJOURNMENT

Note: Written materials related to this agenda are available for public inspection in the Office of the Clerk of the Board located at 1605 E. Burnley Street, Camarillo during regular business hours two business days preceding the scheduled Special Board Meeting.

Announcement: Public Comment: Members of the public may address the Board on any agenda item before or during consideration of the item. [Government Code section 54954.3] Should you need special assistance (i.e. a disability-related modification or accommodations) to participate in the Board meeting or other District activities (including receipt of an agenda in an appropriate alternative format), as outlined in the Americans With Disabilities Act, or require further information, please contact the General Manager, at (805) 482-1996, extension 24. Please notify the General Manager 48 hours in advance to provide sufficient time to make a disability-related modification or reasonable accommodation.

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS

FROM: MARY OTTEN, GENERAL MANAGER
By: Leonore Young, Administrative Services Manager

DATE: October 24, 2019

**SUBJECT: POTENTIAL FINANCING OPTIONS FOR THE
PLEASANT VALLEY RECREATION AND PARK
DISTRICT SENIOR AND COMMUNITY RECREATION
FACILITY**

SUMMARY

The Pleasant Valley Recreation and Park District Board of Directors will be given a presentation by Curt de Crinis & Company, Inc on financing options for the proposed Senior and Community Recreation Facility for the Pleasant Valley Recreation and Park District.

BACKGROUND

The Pleasant Valley Recreation and Park District ("District") partnered with the City of Camarillo ("City") to request assistance in the visioning and preparation of design concepts and cost estimations for a Senior and Community Recreation Facility. The District and City jointly approved "Plan 2" as conceptually designed by Greenplay LLC. However, both boards agreed that further cost estimates and design refinement of the approximately 31,272 square foot active and passive recreation facility were necessary. The District approved the architectural firm of LPA to conduct further cost and design refinement studies for the Senior and Community Recreation Facility Design Project.

As part of the scope of work, each of the four concepts included a preliminary site plan, rendering, cost estimation, as well as operational and maintenance cost. The Liaison Committee requested the District Board narrow the selection from four preliminary designs to two designs; one design considered to be a stand-alone facility, while the other integrated into the existing structure.

At the September 16, 2019 joint special meeting the District Board and City Council agreed to Option D (Stand Alone). This 30,728 square foot addition includes a 2-court gymnasium, a large activity room, a large multi-purpose/fitness room, a medium activity room, lobby and office space, lockers, restrooms, and storage. Costs for the construction of this option are estimated at \$34.5 million and will not require seismic retrofitting.

ANALYSIS

Neither organization can afford the project in its entirety so both organizations have been tasked with exploring financing options for the project. On August 28, 2019, the Camarillo City Council conducted a study session with Curt de Crinis who gave a presentation to the Council on funding options for the facility. Two District staff members attended the workshop along with District Board Member Mike Mishler. Staff brought information back to the General Manager and identified the need for a funding presentation to be given to the District Board of Directors. Staff

asked Curt de Crinis to present the same and/or a similar funding option presentation to the District Board in order to assist the Board in the decision-making process of funding for the new facility.

Curt de Crinis was founder and managing director of C.M. de Crinis & Co, Inc and recently joined Columbia Capital Management as Managing Director. Mr. De Crinis has been instrumental in structuring and completing underwriting for a wide range of projects, including the District's 2017 refunding of the 2008 Certificate of Participation for Pleasant Valley Fields. Curt has 33 years of experience in municipal advisement along with over seven years as a public finance investment banker with national and regional bond underwriting firms. His clients include cities, counties, state authorities, hospitals, housing authorities, park and recreation districts and joint powers authorities.

The presentation will strictly relate to financing options, such as:

- Park District General Fund Reserves
- Park District Special Capital Funds and Development Fees
- Park District Existing Assessments and Grants
- City General Fund Reserves
- New Voter Approved Special Parcel or Sales Tax
- Proceeds of Bonds

FISCAL IMPACT

This presentation is for information only and has no impact on the fiscal year 2019-2020 budget.

RECOMMENDATION

It is recommended the Board provide direction to the staff as well as the Liaison Committee to further refine the next phases of the project and identify funding sources.

ATTACHMENT

- 1) Curt de Crinis Power Point for October 24, 2019 meeting (9 pages)



CITY OF CAMARILLO & PLEASANT VALLEY RECREATION & PARK DISTRICT

Senior/Community Center Financing Options

October 24, 2019



PROJECT DESCRIPTION

- ◆ Senior/Community Center located on Pleasant Valley Recreation and Park District (Park District) Campus at 1605 E Burnley Street in Camarillo.
- ◆ Options for Development:
 - ◆ Developed by Park District with City Capital Contribution.
 - ◆ Developed by the City pursuant to a Joint Use Agreement with Park District.
 - ◆ Developed by Park District and City pursuant to a Joint Powers Authority.
- ◆ To be operated by Park District.

POTENTIAL FINANCING SOURCES

- ◆ **Park District General Fund Reserves.**
- ◆ **Park District Special Capital Funds and Development Fees.**
- ◆ **Park District Existing Assessments and Grants (if available).**
- ◆ **City General Fund Reserves.**
- ◆ **New Voter Approved Special Parcel or Sales Taxes.**
- ◆ **Proceeds of Bonds.**
 - City and/or Park District lease backed bonds, voter-approved general obligation bonds or voter approved special tax CFD bonds.



PARK DISTRICT BOND OPTIONS

- ◆ **Certificates of Participation (a type of bond debt also known as COPS)**
 - Park District to lease finance the senior/community center from CSDA Financing Corp or other leasing entity. Park District to issue Certificates of Participation to be paid from Park District GF.
 - Bonding capacity may be limited given Park District GF revenues. Current Park District bond rating is “AA-”.
- ◆ **Certificates of Participation with pledge of voter *approved* special parcel taxes.**
 - Pledge of special parcel tax to pay or help pay certificates of participation.
 - Special Taxes requires *majority approval* from District Board and 2/3 of registered voters at a *general* election.
- ◆ **Voter-approved General Obligation Bonds (GO BONDS)**
 - Requires *majority approval* from Park Board and 2/3 of registered voters at a *general election*.
 - Highest bond rating “AA” or “AA+” and lowest interest cost.
 - District wide Ad Valorem Property Tax to repay bonds.
- ◆ **Voter-approved CFD Special Tax Bonds**
 - Mello Roos CFD Bonds – requires *majority approval* from District Board and 2/3 *approval of* registered voters at a *special or general election*. Mail in ballot possible. No General Fund Pledge.

CITY BOND OPTIONS

- ◆ **City Public Finance Authority (PFA) Lease Revenue Bonds.**
 - PFA develops senior/community center with Park District and leases project to the City. City agrees to annually budget lease payments from City GF to pay off bonds.
 - May require the District to lease the park site to the City PFA.
- ◆ **PFA Lease Revenue Bonds with pledge of voter approved special sales or parcel taxes.**
 - Pledge of special taxes to pay or help pay PFA lease revenue bonds.
 - Special Taxes requires *majority approval* from City Council and 2/3 of registered voters at a *general election*.
- ◆ **Voter-approved City General Obligation Bonds.***
 - Requires 2/3 approval from City Council and registered voters at a *general election*.
 - City wide Ad Valorem Property Tax to repay bonds.
- ◆ **Voter-approved CFD Special Tax Bonds.**
 - Mello Roos CFD Bonds – requires majority approval from City Council and 2/3 approval registered voters at *special or general election*. Mail in ballot possible. No general fund Pledge.

**Voter initiated GO Bonds requiring only a majority vote may be possible in the future depending on the outcome of pending judicial review.*

JOINT POWERS AUTHORITY BOND OPTION

- ◆ **City and Park District form JPA to own and operate the Community Center**
 - JPA allows City and Park District to pool resources and limits financial exposure to both parties. Agreement for operating responsibility can shift full responsibility to Park District.
- ◆ **JPA issues Roos revenue bonds**
 - City and Park District share and limit GF lease payment obligations (two leases).
 - If special taxes are approved by City or Park District voters, taxes could be pledged to one or both leases.
 - City and Park District would be responsible for only their share of the bond debt.
 - Bond rating based on Park District credit rating. Expected bond rating “A+ to AA-”.



CITY FINANCING WITH JOINT USE AGREEMENT OPTION

- ◆ City and Park District enter into Joint Use Agreement utilizing City financial strength to issue lease revenue bonds for the senior/community center.
- ◆ City to lease site from Park District, build the community center and fund the construction through the issuance of City Public Finance Authority Lease Revenue Bonds. Title to be held by the City.
- ◆ Park District to make cash contributions toward costs and lease community center from the City, on terms to be negotiated, through the final maturity of the bonds. Park District lease payments applied to bond debt service and possible eventual purchase. Park District to pay annual operating costs.

SUMMARY TABLE

<u>Funding Sources</u>	<u>City Leases</u>	<u>Park District Leases</u>	<u>City and Park District Leases</u>	<u>General Obligation</u>	<u>CFD Special Taxes</u>	<u>Parcel Tax</u>	<u>Sales Tax</u>
Special Tax	No	No	No	No	Yes	Yes	Yes
Voting Required	No	No	No	Yes 2/3	Yes 2/3	Yes 2/3	Yes 2/3
General Election	No	No	No	Yes	Yes	Yes	Yes
Special Election	No	No	No	No	Yes	No	No
Issuer	City PFA	Park District	New JPA	City or Park District	City or Park District	City or Park District	City
Bond Type	Lease Revenue	Certificates of Participation	Revenue Bond	General Obligation	CFD Bonds	pledge to lease	pledge to lease
Est. Bond Rating	AA+	AA-	AA-	AA or AAA	AA- or AA	A+ or AA-	A+ or AA-
Source of Repayment	City Annual Lease Payments	District Annual Lease Payments	Limited Lease Payments of City and District	Ad Valorem Property Taxes	Special CFD Taxes	Special Parcel Tax	Special Sales Tax



QUESTIONS/DISCUSSION