



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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JOE HARN
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March 20, 2015

El Dorado County
Board of Supervisors
330 Fair Lane
Placerville, CA 95667

RE: El Dorado County Community Facilities District No. 2001-1 (Promontory)

Dear Board Members:

Recommendation:

The Auditor-Controller recommending the Board adopt Resolution Authorizing the Issuance of Special Tax Bonds and Approving and Authorizing A Form of Fiscal Agent Agreement and Authorizing Additional Action in Connection Therewith for Community Facilities District No. 2001-1 (Promontory).

Reasons for Recommendation:

In 2005 the County issued \$7,950,000 of Mello Roos bonds for this Community Facilities District (CFD). Because interest rates are low, now appears to be an ideal time to refinance these bonds. Further, because of the current real estate market new lots are being created in Promontory at this time. The newly created lots generate additional special taxes which allows for the issuance of additional bonds. In accordance with the County's Development Agreement for the Promontory Specific Plan Public Facilities Financing Plan, the County is required to assist the Developer in obtaining community facilities district or assessment district financing for infrastructure needed for the Promontory subdivision. The purpose of the CFD is to fund the construction of certain major infrastructure improvements, and to pay certain impact fees associated with projects of this nature.

The developer now desires to proceed with the refinancing of the original bond issue and the issuance of the additional Special Tax Bonds for and on behalf of the CFD and has requested the Board of Supervisors to adopt the attached Resolution to commence the approval process. This is the first of what will be two resolutions approving the issuance of additional Special Tax Bonds for the CFD. The Resolution approves the issuance of bonds in accordance with a Fiscal Agent Agreements, the form of which is approved by the Resolution. At a future meeting anticipated to be at least 60 days in the future, a Bond Purchase Agreement for sale of the Bonds to Stifel, Nicolaus & Company, as underwriter, and a Preliminary Official Statement, in forms to be presented at that meeting, will be subject to Board

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approval to complete the authorization process. The Preliminary Official Statement is the offering document used by the underwriter to market the bonds.

The Fiscal Agent Agreements are the documents that authorize the terms and conditions for the bonds. They provide that a fiscal agent will receive moneys generated from the special taxes levied in the CFD and use the moneys to pay bondholders. They also provide for the safekeeping of a reserve fund to cover payments should any deficiencies occur because of non-payment of special taxes.

Members of the Board of Supervisors should note that the Special Tax Bonds are not an obligation of the County of El Dorado. The sole source of revenue to pay debt service on the Bonds comes from the special tax levied within the District.

Fiscal Impact:

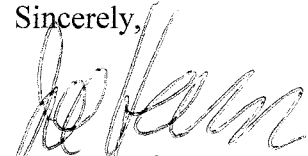
None.

Action to be Taken Following Approval:

Following Board approval:

1. Board Clerk's Office will forward one fully executed Resolution to the Auditor-Controller's Office.

Sincerely,



Joe Harn, CPA
Auditor-Controller