

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION APPROVING THE REALLOCATION OF PROCEEDS IN THE
APPROXIMATE AMOUNT OF \$45,000,000 FROM THE 2018 LEASE REVENUE
BONDS, SERIES A, FROM THE COUNTY OFFICE BUILDING 3 PROJECT TO THE
SAN MATEO MEDICAL CENTER PROJECT**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on April 11, 2017, the County approved a financing plan for the following capital projects: San Mateo Medical Center Improvements project (“SMMC”), County Office Building #3 (“COB3”), Government Center Parking Structure, Lathrop House Relocation, Cordilleras Mental Health Facility (“Cordilleras Project”), South San Francisco Health Campus, Maple Street Homeless Shelter, and County Radio Shop; and

WHEREAS, as approved by the County, the Joint Powers Financing Authority (the “Authority”) subsequently issued lease revenue bonds to finance certain of these capital projects, including in 2018, the 2018 Lease Revenue Bonds, Series A, in an amount not to exceed \$250,000,000 to finance the design, architecture, and construction of the Medical Center Improvements and the County Office Building #3, in which the amount of the Series A Lease Revenue Bonds issued was \$217,000,000, served through a master lease for SMMC; and

WHEREAS, initially, approximately \$117,000,000 of the proceeds were directed to the SMMC Project, and the remaining funds were directed to the COB3 Project; and

WHEREAS, the SMMC project includes renovation of a nursing wing and central plant to receive essential hospital services for a non-compliant building, relocation of Department of Public Works (DPW) engineering shop and offices, relocation of MRI trailer and dental van, and demolition and replacement of seismically outdated 1950s-era health administration buildings, and changes to the campus landscaping including a prominent plaza/drop-off area to improve navigation and the addition of a 51,650 sq ft administration building that will house the new morgue, relocated public health lab, the relocated health administration staff, and a 34,899 sq ft Link building that will house the new café, relocated engineering department, and be a “link” to the new admin building and the clinics building; and,

WHEREAS, the overall cost of the SMMC project inclusive of the morgue and increased construction expenses is anticipated to be approximately \$220,000,000 to \$230,000,000; and

WHEREAS, in 2021, in connection with the approval of an overall plan of finance that included new financing for the Cordilleras Project and refunding of prior debt issuances, the County allocated funds raised in the 2018 Lease Revenue Bond from COB3 to the SMMC project in the amount of approximately \$55 million to cover costs of building the morgue and other expense increases for the SMMC project, which leveraged state reimbursement that is available for the SMMC project and required more general fund in the short term to pay for COB3; and

WHEREAS, the County Executive has determined that reallocating the remaining bond proceeds on the 2018 Lease Revenue Bonds, Series A, from COB3 for

use on the SMMC project in an approximate amount of \$45,000,000 would be in the best interest of the County; and

WHEREAS, as with the prior allocation, this shift would enable the County to apply the bond proceeds toward a project (SMMC) which is eligible for various reimbursements and would require use of County general fund monies for the COB3 project (which project generally does not generate reimbursable expenses) and, to the extent COB3 costs have already been incurred, such costs would be paid with general fund rather than bond proceeds; and

WHEREAS, as a result of the reallocation, the total 2018 Lease Revenue Bonds, Series A proceeds in the amount of \$217,000,000 would be allocated to the SMMC project; and

WHEREAS, the reallocation falls within the scope of the County's finding of public benefit for these projects, which included both COB3 and SMMC; and,

WHEREAS, the Authority has approved this reallocation by a resolution of the Board of the Authority.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. The recitals set forth above are true and correct.
2. The Board approves the reallocation of proceeds in the approximate amount of \$45,000,000 from the 2018 Lease Revenue Bonds, Series A, from the County Office Building 3 Project to the San Mateo Medical Center Project.

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