

RESOLUTION NO. 070220

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

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**RESOLUTION AUTHORIZING THE COUNTY MANAGER TO NEGOTIATE AND
ENTER INTO AGREEMENTS WITH THE LA HONDA-PESCADERO UNIFIED
SCHOOL DISTRICT FOR AN ADVANCEMENT OF FUNDS TO THE DISTRICT IN
THE AMOUNT OF UP TO \$2,500,000 TO BE REIMBURSED FROM ANTICIPATED
PROCEEDS FROM FUTURE BOND SALES**

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

WHEREAS, the La Honda-Pescadero Unified School District is currently completing construction at its elementary, middle, and high schools; and

WHEREAS, the District has approached the County with a request that the County make available funds in an amount not to exceed \$2,500,000 to assist the District in ensuring prompt completion of the ongoing construction and payment of outstanding creditors for construction work already completed; and

WHEREAS, prompt completion of the construction will result in the school sites being ready for the beginning of school in August 2009, which will benefit the students of the District and avoid placing a burden on other school districts in the County who might be asked to house the District's students if the school sites are not ready; and

WHEREAS, the Board has considered the request, and determined that it is in the best interests of the citizens of this County, to make available the requested funding, subject to reimbursement out of proceeds from future bond sales by the District;

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NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the County Counsel shall seek the assurances of the Division of the State Architect of the Department of General Services, the State Controller, the California Department of Forestry and Fire Protection ("CalFire"), and the San Mateo County Planning & Building Department that there are no anticipated impediments to the approval and completion of construction at the District's elementary, middle, and high schools; and

IT IS FURTHER DETERMINED AND ORDERED that the County Manager be, and hereby is upon receipt of the assurances to the County Counsel above, authorized to negotiate and execute agreements with the La Honda-Pescadero Unified School District which provide for the advance of available funds of the County, in the maximum amount of \$2,500,000, for assisting the District in the completion of ongoing construction and payment of outstanding creditors, which will include provisions to address the following:

- (a) The outstanding amounts of any funds advanced by the County to be reimbursed to the County will be paid out of the proceeds of any future sale of bonds pursuant to Measure I, the District pledging to make such payment to the County prior to the expenditure of such funds for any other purpose.
- (b) Any amounts recovered by the District in any action or proceeding against any third party relating to construction authorized by Measure I shall first be applied to reduce amounts advanced by the County to the District.
- (c) The District shall make application, as soon as reasonably possible, for an emergency apportionment pursuant to Education Code section 41320 and shall diligently undertake all steps necessary to secure such an apportionment.
- (d) Any amounts received under an emergency apportionment made under Education

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Code section 41320, if such an apportionment is made, shall first be applied to reduce amounts advanced by the County to the District, to the extent allowed by the terms and conditions of the emergency apportionment.

- (e) The District shall diligently pursue a State hardship grant, and further shall diligently pursue legislation or other State action that would allow the District to obtain priority for such hardship monies, and would allow any hardship grant proceeds to be applied to pay past debts arising out of projects funded with Measure I proceeds.
- (f) Any amounts received through a hardship grant, if approved, shall first be applied to reduce amounts advanced by the County to the District, to the extent allowed under the terms and conditions of the grant.
- (g) The District will begin to make payments of \$50,000 per year to the County in the first year that the District's total revenue exceeds its revenue for the 2007-2008 fiscal year, adjusted for inflation, or in the 2012-2013 fiscal year, whichever is sooner, and to increase the amount of the payments by \$5,000 each year until 2019 when the loan is either renegotiated or paid off in full.
- (h) The District shall diligently pursue opportunities to sell or lease surplus land, to the extent such land is not necessary for the future needs of the District, and shall apply the proceeds of any such sale or lease of land to reduce amounts advanced by the County to the District, to the extent allowed by law.
- (i) The term of the agreements will be 10 years, with any outstanding amounts to be repaid to the County on or before the end of the term. The agreements shall also contain a provision that the parties are to meet and confer in good faith if for any reason it appears that the District will be unable to fully repay the outstanding amounts due on or before the end of the term.
- (j) The agreements shall contain a provision that the District will be charged interest for the County loan at the pool rate.

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- (k) Any funds advanced pursuant to these agreements will be applied first to pay the cost of Measure I projects necessary to ensure that facilities are available to accommodate and serve District students upon commencement of the new school year on August 26, 2009, and that they may then be applied to pay any amounts owed to creditors for work on Measure I projects completed prior to the date of this Resolution. Under no circumstances shall such funds be used for capital projects that do not fall into one of these two categories.
- (l) The agreements shall contain provisions (1) committing the net proceeds from any settlement or judgment in its litigation against third parties relating to its former construction management firm to repay the County for amounts advanced pursuant to the agreements, including, but not limited to, a lien against net proceeds; and (2) providing that the District shall apprise the County Counsel of any major developments in that litigation, or any other major developments that may impact the ability of the District to repay amounts advanced by the County.

IT IS FURTHER DETERMINED AND ORDERED that the County Counsel is directed by this Resolution to make regular reports to this Board regarding such developments as they occur.

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Regularly passed and adopted this 23rd day of June, 2009.

AYES and in favor of said resolution:

Supervisors:

MARK CHURCH

CAROLE GROOM

RICHARD S. GORDON

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER

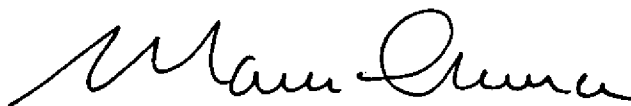
NOES and against said resolution:

Supervisors:

NONE

Absent Supervisors:

NONE



*President, Board of Supervisors
County of San Mateo
State of California*

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.



*Marie L. Peterson, Deputy
Clerk of the Board of Supervisors*

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