



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: November 16–17, 2017

Title

Court Facilities: Lease-Revenue Bond
Issuance, Fall 2016 and Spring 2017

Agenda Item Type

Information Only

Date of Report

October 10, 2017

Submitted by

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Executive Summary

As authorized and directed by the Judicial Council, the Administrative Director presents this report on actions taken in connection with lease-revenue bonds issued by the State Public Works Board (SPWB) in fall 2016 and spring 2017, for the financing of court facilities projects.

Previous Council Action

At its August 27, 2010, meeting, the Judicial Council (1) authorized the execution of documents in connection with issuances of bonds by the SPWB for the financing of court facilities projects, (2) “delegated to the Administrative Director of the Courts or his designee the authority to execute bond documents on behalf of the Judicial Council,”¹ and (3) directed that the Administrative Director of the Courts report to the council at least once a year on actions taken under that authority.

Policy and Cost Implications

Lease-revenue bonds are a form of long-term borrowing in which the debt obligation is secured by a revenue stream created from lease payments made by the occupying entity to the SPWB, which retains title to the facility until the debt is retired. Lease-revenue bonds do not require

¹ Judicial Council of Cal., mins. (Aug. 27, 2010), item 9, www.courts.ca.gov/documents/min20100827.pdf.

voter approval because the transaction is set up to mirror a typical financing lease; that is, lease payments are due on a year-to-year basis and required only if the facility can be occupied.

When a lease-revenue, bond-funded courthouse project is completed and a court occupies the courthouse, the lease payments for the completed facility are funded from the Immediate and Critical Needs Account of the State Court Facilities Construction Fund established by Senate Bill 1407 (Stats. 2008, ch. 311).

Implementation Efforts

No new lease-revenue bonds were issued by the SPWB on behalf of the Judicial Council in fall 2016 and spring 2017. A refunding of existing bonds for the Susanville Courthouse in Lassen County was approved by the SPWB in spring 2017. This refunding generated savings of \$292,863.98 as shown in Attachment A. The savings will accrue to the State Court Facilities Construction Fund.

Relevant Strategic Plan Goals and Operational Plan Objectives

The issuance of bonds to finance construction and renovation of courthouses supports the Judicial Council's strategic plan Goal VI, Branchwide Infrastructure for Service Excellence, by creating safer and more functional facilities for conducting court business (Goal VI.A.1).

Attachments

1. Attachment A: New Susanville Courthouse (Lassen County) Refunding Debt Service Schedule

New Susanville Courthouse Refunding Debt Service Schedule



SAVINGS

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA
Refunding of 2010 Series A-1 (Susanville)

FINAL PRICING

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/20/2017 @ 2.4991084%
06/30/2018	209,081.25	174,843.78	34,237.47	33,862.98
06/30/2019	205,081.25	174,712.50	30,368.75	29,176.12
06/30/2020	206,081.25	175,812.50	30,268.75	28,366.70
06/30/2021	206,831.25	176,562.50	30,268.75	27,670.86
06/30/2022	207,218.75	172,162.50	35,056.25	31,233.64
06/30/2023	207,231.25	172,962.50	34,268.75	29,782.44
06/30/2024	206,856.25	173,662.50	33,193.75	28,139.69
06/30/2025	206,212.50	173,662.50	32,550.00	26,916.57
06/30/2026	205,162.50	173,512.50	31,650.00	25,529.62
06/30/2027	208,550.00	178,112.50	30,437.50	23,948.40
06/30/2028	206,362.50	172,112.50	34,250.00	26,266.18
06/30/2029	208,887.50	176,112.50	32,775.00	24,516.44
06/30/2030	205,837.50	174,612.50	31,225.00	22,781.90
06/30/2031	207,500.00	175,562.50	31,937.50	22,709.01
06/30/2032	208,200.00	173,562.50	34,637.50	24,008.56
06/30/2033	208,300.00	171,312.50	36,987.50	24,993.19
06/30/2034	207,800.00	176,250.00	31,550.00	20,780.90
06/30/2035	206,700.00	173,250.00	33,450.00	21,477.89
	3,727,893.75	3,138,781.28	589,112.47	472,161.09

Savings Summary

Dated Date	04/20/2017
Delivery Date	04/20/2017
PV of savings from cash flow	472,161.09
Less: Prior funds on hand	-179,754.90
Plus: Refunding funds on hand	457.79
Net PV Savings	292,863.98