



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: December 10–11, 2015

Title	Agenda Item Type
Court Facilities: Lease-Revenue Bond Issuance, Spring 2015	Information Only
Submitted by	Date of Report
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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 in spring 2015 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 State Public Works Board (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, i.e., 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 complete and a court occupies the respective 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. A schedule showing the base rental payments for each of the courthouses for which bonds were issued in spring 2015 is included as Attachment A.

Implementation Efforts

The SPWB issued a lease-revenue bond on behalf of the Judicial Council in spring 2015 to finance the construction of the Los Banos Courthouse in Merced County.

The closing date of the respective bond issuance is set forth in Attachment B.

Next Steps

The SPWB plans to issue a lease-revenue bond on behalf of the Judicial Council in April 2016 to finance the construction of the Yreka Courthouse in Siskiyou County. Prior phases were funded from the Immediate and Critical Needs Account of the State Court Facilities Construction Fund established by SB 1407.

Relevant Strategic Plan Goals and Operational Plan Objectives

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

Attachments and Links

1. Attachment A: Schedule of Base Rental Payments
2. Attachment B: Lease-Revenue Bond Issuance—Spring 2015

ATTACHMENT A

Schedule of Base Rental Payments

SCHEDULE I⁽¹⁾

\$22,205,000
State Public Works Board of the State of California
Lease Revenue Bonds
(Judicial Council of California)
2015 Series B
(Los Banos Courthouse)

**SCHEDULE OF CAPITALIZED INTEREST PAYMENTS
AND BASE RENTAL PAYMENTS**

I. CAPITALIZED INTEREST PAYMENTS

Interest on the Bonds shall be paid from the Series 2015B Capitalized Interest Subaccount established under the One Hundred Thirty-Second Supplemental Indenture on the following dates and in the following amounts:

<i>Payment Date</i>	<i>Amount</i>
12/1/2015	\$663,675.55
6/1/2016	543,000.00
12/1/2016	543,000.00
6/1/2017	543,000.00
12/1/2017	543,000.00

II. BASE RENTAL PAYMENTS

Base Rental payments are due on the following dates and in the following amounts:

<i>Payment Date</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Base Rental Payments</i>
5/15/2018	\$555,000	\$543,000.00	\$1,098,000.00
11/15/2018		529,125.00	529,125.00
5/15/2019	585,000	529,125.00	1,114,125.00
11/15/2019		520,350.00	520,350.00
5/15/2020	600,000	520,350.00	1,120,350.00
11/15/2020		508,350.00	508,350.00
5/15/2021	625,000	508,350.00	1,133,350.00
11/15/2021		492,725.00	492,725.00

⁽¹⁾ This schedule may be modified in the event that additional capitalized interest is allocated to the Project under the One Hundred Thirty-Second Supplemental Indenture in which case the amounts on this Schedule I shall be adjusted in accordance with a Written Request of the Board delivered with respect to such allocation.

5/15/2022	655,000	492,725.00	1,147,725.00
11/15/2022		479,625.00	479,625.00
5/15/2023	680,000	479,625.00	1,159,625.00
11/15/2023		462,625.00	462,625.00
5/15/2024	715,000	462,625.00	1,177,625.00
11/15/2024		444,750.00	444,750.00
5/15/2025	750,000	444,750.00	1,194,750.00
11/15/2025		426,000.00	426,000.00
5/15/2026	790,000	426,000.00	1,216,000.00
11/15/2026		406,250.00	406,250.00
5/15/2027	830,000	406,250.00	1,236,250.00
11/15/2027		385,500.00	385,500.00
5/15/2028	870,000	385,500.00	1,255,500.00
11/15/2028		363,750.00	363,750.00
5/15/2029	915,000	363,750.00	1,278,750.00
11/15/2029		340,875.00	340,875.00
5/15/2030	960,000	340,875.00	1,300,875.00
11/15/2030		316,875.00	316,875.00
5/15/2031	1,010,000	316,875.00	1,326,875.00
11/15/2031		291,625.00	291,625.00
5/15/2032	1,060,000	291,625.00	1,351,625.00
11/15/2032		265,125.00	265,125.00
5/15/2033	1,110,000	265,125.00	1,375,125.00
11/15/2033		237,375.00	237,375.00
5/15/2034	1,165,000	237,375.00	1,402,375.00
11/15/2034		208,250.00	208,250.00
5/15/2035	1,225,000	208,250.00	1,433,250.00
11/15/2035		177,625.00	177,625.00
5/15/2036	1,285,000	177,625.00	1,462,625.00
11/15/2036		145,500.00	145,500.00
5/15/2037	1,350,000	145,500.00	1,495,500.00
11/15/2037		111,750.00	111,750.00
5/15/2038	1,415,000	111,750.00	1,526,750.00
11/15/2038		76,375.00	76,375.00
5/15/2039	1,490,000	76,375.00	1,566,375.00
11/15/2039		39,125.00	39,125.00
5/15/2040	1,565,000	39,125.00	1,604,125.00

ATTACHMENT B

Lease-Revenue Bond Issuance–Spring 2015

Series	Closing Date	County	Project Name
Spring 2015 Series B	April 21, 2015	Merced	Los Banos Courthouse