



County of Yolo

OFFICE OF THE AUDITOR-CONTROLLER
 PO BOX 1268, WOODLAND, CALIFORNIA 95776-1268
 PHONE: (530) 666-8190
 FAX: (530) 666-8215

HOWARD H. NEWENS, CIA, CPA
 AUDITOR-CONTROLLER

TO: Conaway Project Yolo County Team
FROM: Howard Newens, Auditor-Controller
DATE: March 18, 2004
SUBJECT: Project financing & financial issues - REVISED

This memo sketches out the financing options and summarizes other financial issues related to the projects.

Financing through COP

GFS suggested two options based on:

Purchase price: \$80 million

Terms: 30 years

Interest rate: 5.5% (conservative)

	OPTION 1	OPTION 2
	Interest only first 5 years	Full amortization
Amount to be funded	80,000,000	80,000,000
Cost of issuance	100,000	100,000
Bond insurance	1,920,000	1,850,000
Debt service reserve	6,692,708	6,136,960
Underwriting discount	1,122,938	1,115,000
Rounding	(646)	(1,960)
Dbt to be issued	<u>89,835,000</u>	<u>89,200,000</u>
Annual payment - Yr1-5	4,807,000	6,014,000
Annual payment - Yr6 on	6,563,000	6,014,000
Total interest	102,299,465	94,921,764
Total net payments	181,429,032	174,305,418

In summary, Option 1 saves about \$6 million of cash in the first five years but results in paying an extra \$7.1 million over the 30 years.

Financing issues

Even though the County General Fund funds debt service, due diligence work needs to be done to verify income-producing potential of the land.

For Option 1, credit rating agencies will scrutinize closely the County's repayment plan since there is an attempt to minimize debt payment in first five years.

Financing team will need 80-90 days to put together the debt issue

*Conaway Project Yolo County Team
March 19, 2004
Page 2 of 3*

Because of tax-exempt financing, sales of water or other rights/services to private groups are prohibited (few exceptions up to 5% of income).

Economic viability of project must be studied before any commitment.

Opportunity cost of money must be taken into account.

Sources of Funds

Description	Annual amount	Comment
Pomona Fund	1,000,000	
Tribal Fund	1,200,000	Increasing to \$2M in 4 years
ACO Fund	900,000	
DIF	200,000	Board to approve
Total from existing County Funds	<u>3,300,000</u>	
Net income from Conaway	1,600,000	Not yet verified
Contribution from cities	-	Water sales, water discharge
Grants	-	
Total	<u>4,900,000</u>	

cc: Don Hoff, CAO

H:\HNews\Finance\Conaway\Financing options 3-18-04.doc

Sharon Jensen

From: Howard Newens
Sent: Friday, June 25, 2004 9:36 AM
To: Sharon Jensen
Cc: Vic Singh; John Clark; Linda Fiack; Steve Basha
Subject: Conaway - Tax distribution

Sharon:

As requested by the board at the last closed session, here is a worksheet that shows the annual tax revenue distribution for the Conaway property. It is summarized below. Note that Woodland schools get the largest share.



CONAWAY RANCH
 TAX DISTRIBUTION.

Howard Newens
 X 8217

FUND	FUND #	TAX	%
GEN	110 S Total	31,396.14	12.16%
ACO	120 S Total	3,735.35	1.45%
LIBRARY	140 S Total	5,069.93	1.96%
RD DIST #2	151 S Total	5,954.21	2.31%
E DAVIS FIRE	315 S Total	4,295.64	1.66%
SPRINGLAKE FIRE DISTRICT	320 S Total	9,873.14	3.82%
ELKHORN FIRE DISTRICT	328 S Total	2,674.07	1.04%
SAC-YOLO MOSQ VECTOR	371 S Total	2,626.52	1.02%
RECLAMATION DISTRICT #827	387 S Total	35.05	0.01%
YOLO CO RESOURCES CONSERV DIST	444 S Total	77.35	0.03%
ERAF	221 (ERAF) S Total	63,662.43	24.65%
YOLO CO SCHOOLS	500 0430 S Total	9,434.76	3.65%
DAVIS SCHOOLS	500 2120 S Total	1,290.80	0.50%
WOODLAND SCHOOLS	500 6160 S Total	97,556.93	37.78%
LOS RIOS COMM COLLEGE	590 S Total	160.15	0.06%
YUBA COMM COLLEGE	591 S Total	20,378.85	7.89%
	Grand Total	258,221.32	100.00%

*Linda Legrito - bronze & silver
in copy of 10/04*

ANNUAL TAX REVENUE DISTRIBUTION FOR THE CONAWAY PROPERTY

FUND	FUND #	TAX	%	Education	Fire	Resources	Other
GEN	110 S Total	31,396.14	12.16%				31,396.14
ACO	120 S Total	3,735.35	1.45%				3,735.35
LIBRARY	140 S Total	5,069.93	1.96%				5,069.93
RD DIST #2	151 S Total	5,954.21	2.31%			5,954.21	
E DAVIS FIRE	315 S Total	4,295.64	1.66%		4,295.64		
SPRINGLAKE FIRE DISTRICT	320 S Total	9,873.14	3.82%		9,873.14		
ELKHORN FIRE DISTRICT	328 S Total	2,674.07	1.04%		2,674.07		
SAC-YOLO MOSQ VECTOR	371 S Total	2,626.52	1.02%				2,626.52
RECLAMATION DISTRICT #827	387 S Total	35.05	0.01%			35.05	
YOLO CO RESOURCES CONSERV DIST	444 S Total	77.35	0.03%			77.35	
ERAF	221 (ERAF) S Total	63,662.43	24.65%	63,662.43			
YOLO CO SCHOOLS	500 0430 S Total	9,434.76	3.65%	9,434.76			
DAVIS SCHOOLS	500 2120 S Total	1,290.80	0.50%	1,290.80			
WOODLAND SCHOOLS	500 6160 S Total	97,556.93	37.78%	97,556.93			
LOS RIOS COMM COLLEGE	590 S Total	160.15	0.06%	160.15			
YUBA COMM COLLEGE	591 S Total	20,378.85	7.89%	20,378.85			
	Grand Total	258,221.32	100.00%	192,483.93	16,842.84	6,066.61	42,827.95
				\$258,221.32			
				74.5%	6.5%	2.3%	16.6%
				100.0%			

*State formula re schools revenue however
Schools report actual revenues all-services
State makes up the difference*