

Memorandum

To : The Conservancy
The Advisory Committee

Date: September 22, 2014

From :  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Director

Subject: **Agenda Item 9: Public hearing and consideration of resolution making a finding of significant public benefit and other findings in connection with the modification of promissory notes of the Mountains Recreation and Conservation Authority.**

Staff Recommendation: That the Conservancy hold a public hearing and adopt the attached resolution making a finding of significant public benefit and other findings in connection with the modification of promissory notes of the Mountains Recreation and Conservation Authority (MRCA) .

Legislative Authority: Public Resources Code section 33211(c) and Government Code section 6586.5.

Background:

The existing promissory notes of the MRCA, made in favor of Zions First National Bank (the “MRCA Notes”), reflect revolving lines of credit to finance the MRCA’s grant-funded land acquisition and construction projects, including public projects to be located within the service area of the Conservancy, and to provide working capital to the MRCA for temporary, short-term cash flow deficits. Repayments on the MRCA promissory notes are secured primarily by a pledge of the MRCA’s general fund revenues and a deed of trust on a parcel of real property of the MRCA and the MRCA Financing Corporation, as well as grant funds relating to each project financed. The MRCA promissory notes are an obligation of the MRCA and are not an obligation of the Conservancy or any other member agency of the MRCA. The member agencies of the MRCA are the Conservancy, the Rancho Simi Recreation and Park District, and the Conejo Recreation and Park District.

The MRCA proposes to extend the duration of the MRCA Notes for an additional term of approximately five years through September 2019, and Zions First National Bank is willing to provide the extension. Since 2006, the MRCA Notes have facilitated, and if extended as proposed, will continue to facilitate the more efficient delivery of open space and park and recreation facilities and services to the citizens within the service area of the Conservancy. Draws on the revolving lines of credit assist the MRCA during periods of uneven receipt of

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operating revenues or grant funding for projects, thereby providing for more efficient project administration and helping to avert disruptions in open space and park services.

As the Conservancy is a member agency of the MRCA, adoption by the Conservancy of the attached Resolution, after a public hearing, will facilitate the proposed modification to extend the terms of the MRCA Notes and the significant public benefits described above.