

DEPARTMENT: Board of Supervisors By: Building Committee Phone: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes ___ No X)

Resolution authorizing staff to apply for a loan from RECDS (United States Department of Agricultural) for construction of the Government Center and to proceed immediately with the preparation of the environmental documentation required to be eligible to receive the loan. RECDS was formerly known as the Farmers Home Administration (FmHA), and is the organization which provided grants and loans for the Saxon Creek water project. RECDS has found, based on a pre-application by the CAO, that the project appears to be eligible for a low interest loan.

This action in no way obligates the Board to accept the loan or proceed with the project. It is recommended only to avail the County of an excellent financing opportunity that may never occur again.

The interest rate for the RECDS loan would be approximately 5 percent. The term of repayment can be 20 to 40 years, at the discretion of the Board. There is no prepayment penalty. In order to be considered for inclusion in this year's participants for the loan program, the application must be submitted by April 5, 1996. The lead time required for the environmental documentation, which must be submitted with the application, requires that staff begin the application process immediately. If we miss the April 5 deadline, it is likely that we would have to wait for a year.

The rules for the RECDS loan add some additional costs to the project, including the incorporation of detailed FmHA construction specifications, hiring a bond counsel and the requirement for full-time on-site inspection during construction. Nevertheless, the CAO has determined that this program would save approximately \$30,000 per year during a twenty year loan repayment period over the next best alternative, a loan from CSAC at approximately 6.75 percent.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The final report for preliminary design was presented to the Board at a public hearing on September 26, 1995. The Board approved retention of the architect for final design at the meeting of November 7, 1995. During a follow-up discussion item of that date, the Board directed that the preliminary design issues be further evaluated prior to proceeding with final design. More recently, the Board has directed that preliminary design issues be brought to the Board in April.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1. Delay any action with regards to project financing until a decision is made whether or not to proceed with the project. In this case, an application for a loan from RECDS may be delayed until April, 1997. Financing rates could rise or the program, which is dependent on the federal budget process, could be reduced. Higher interest rate loans would probably be available from CSAC or other sources.

COSTS: (x) Not Applicable
 A. Budgeted current FY \$ _____
 B. Total anticipated costs \$ _____
 C. Required additional funding \$ _____
 D. Internal transfers \$ _____

SOURCE: () 4/5th Vote Required
 A. Unanticipated revenues \$ _____
 B. Reserve for contingencies \$ _____
 C. Source description: _____
 Balance in Reserve Contingencies,
 if approved: \$ _____

SPECIAL INSTRUCTIONS:
 List the attachments and number
 the pages consecutively:
 1. none _____

CLERK'S USE ONLY
 Res. No.: 96-82 Ord. No. _____
 Vote - Ayes: 5 Noes: _____
 Absent: _____ Abstained: _____
 Approved () Denied
 Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of
 the original on file in this office.
 Date: _____
 ATTEST: MARGIE WILLIAMS, Clerk of the Board
 County of Mariposa, State of California
 By: _____
 Deputy

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
 This item on agenda as:
 Recommended
 Not Recommended
 For Policy Determination
 Submitted with Comment
 Returned for Further Action
 Comment: _____

 A.O. Initials: W