

**Meeting Date:** 8/30/2016

**Report Type:** Consent

**Report ID:** 2016-00867

**Title:** Termination of Joint Exercise of Powers Agreement for the Sacramento Regional Arts Facilities Financing Authority

**Location:** Citywide

**Recommendation:** Pass a Motion 1) approving the attached "JPA Termination Agreement"; and 2) authorizing the Interim City Treasurer or his designee to sign it on the City's behalf.

**Contact:** Nii Laryea, Debt Analyst, (916) 808-5517; Brian Wong, Debt Manager, (916) 808-5811, Office of the City Treasurer

**Presenter:** None

**Department:** City Treasurer

**Division:** City Treasurer

**Dept ID:** 05001011

**Attachments:**

1-Description/Analysis

2-Sacramento Regional Arts Facilities Financing Authority - JPA Termination Agreement

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**City Attorney Review**

Approved as to Form

Joseph Cerullo

8/22/2016 6:30:21 PM

**Approvals/Acknowledgements**

Department Director or Designee: John Colville - 8/15/2016 1:17:21 PM

## Description/Analysis

**Issue Detail:** The City and Sacramento County are parties to a Joint Exercise of Powers Agreement (City Agreement No. 2001-007; the “**JPA**”) that created the Sacramento Regional Arts Facilities Financing Authority (“**SRAFFA**”) for the purpose acquiring, constructing, improving, providing, developing, and preserving entertainment, educational, artistic, literary, cultural, and multi-cultural facilities and programs in order to enhance and preserve the general quality of life as well as the artistic, intellectual, cultural, and multi-cultural life of the Sacramento regional community.

In January 2016, the Sacramento Public Financing Authority issued lease-revenue bonds to refinance and retire all of SRAFFA’s Series 2002 Certificates of Participation. SRAFFA has no other outstanding obligations, and the capital financing needs of arts, entertainment, or cultural-related projects can be met with debt issued by the Sacramento City Financing Authority or the Sacramento Public Financing Authority. Accordingly, SRAFFA is no longer needed and may be terminated in accordance with sections 3 and 6 of the JPA.

**Policy Considerations:** Termination of SRAFFA will also terminate the appointment of the three City Council members to SRAFFA’s Board of Directors.

**Environmental Considerations:** Not applicable.

**Sustainability Considerations:** None.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Pass a motion (1) approving the attached “JPA Termination Agreement” and (2) authorizing the Interim City Treasurer or his designee to sign it on the City’s behalf.

**Financial Considerations:** Not Applicable

**Local Business Enterprise (LBE):** Not applicable

## JPA TERMINATION AGREEMENT

This JPA Termination Agreement, dated as of [\_\_\_\_\_], 2016, for reference, is between the County of Sacramento, a political subdivision of the State of California (the "County"), and the City of Sacramento, a California municipal corporation (the "City" and, together with the County, the "Members").

### Background

The Sacramento Regional Arts Facilities Financing Authority (the "Authority") was established by a joint-exercise-of-powers agreement between the Members (the "JPA Agreement"), effective as of April 11, 2002. The JPA Agreement terminates 50 years after its effective date unless sooner terminated in writing by the Members, except that it will not terminate while any Bonds (as defined in the JPA Agreement) or other Authority obligations remain outstanding.

The Authority previously delivered its Series 2002 Certificates of Participation under a Trust Agreement, dated as of August 1, 2002. The 2002 Certificates of Participation have been fully prepaid, the Authority has no outstanding debt or obligations, and the Members have no further need for the Authority. Accordingly, the Members desire to terminate the JPA Agreement rather than wait until it terminates on April 11, 2052, in accordance with its terms.

*With these background facts in mind, the County and the City hereby agree as follows:*

1. The JPA Agreement is terminated as of the effective date of this agreement.
2. The City shall comply with the JPA Agreement's requirements that survive termination, including the sections relating to record-keeping and disposition of the Authority's assets.
3. The City shall file or cause to be filed, with both the California Secretary of State (Gov. Code, § 6503.5) and the California State Controller (Gov. Code, § 6503.6), a notice of the JPA Agreement's termination.
4. This agreement is to be interpreted and applied in accordance with California law.
5. The parties may sign this agreement in counterparts, each of which will be deemed an original, but all of which taken together will constitute the same agreement.
6. This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

*(Signature Page Follows)*

City of Sacramento

County of Sacramento

By: \_\_\_\_\_  
John Colville  
Interim City Treasurer  
Date: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Britt Ferguson  
Chief Financial Officer  
Date: \_\_\_\_\_, 2016

Attest  
Sacramento City Clerk

Attest  
Clerk of the Board

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Approved as to Form  
Sacramento City Attorney

Approved as to Form  
Sacramento County Counsel

By: \_\_\_\_\_  
Joseph Cerullo  
Senior Deputy City Attorney

By: \_\_\_\_\_