



**Contra  
Costa  
County**

To: Contra Costa County Fire Protection District Board of Directors

From: David Twa, County Administrator

Date: December 15, 2020

Subject: AUTHORIZE INSTALLMENT SALE AGREEMENT BETWEEN THE COUNTY OF CONTRA COSTA  
AND THE CONTRA COSTA COUNTY FIRE PROTECTION DISTRICT

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### **RECOMMENDATION(S):**

Acting as the Governing Board of the Contra Costa County Fire Protection District:

ADOPT Resolution No. 2020/343 authorizing an Installment Sale Agreement between the District and the County of Contra Costa pursuant to which the County will provide a principal amount up to \$31 million for the construction of Fire Station Nos. 9 (Pacheco) and 86 (Bay Point) in consideration of the payment by the District of installments of principal and interest for a period of 20 years.

### **FISCAL IMPACT:**

The District estimates that the total cost of the Installment Sale Agreement with the County will be \$37,884,558; \$30 million in repayment of principal and \$7,884,558 of interest over the period of 20 years. The annual debt service obligation of the District arising from this agreement will be approximately \$1.9 million per year through 2041.

### **BACKGROUND:**

The District plans to replace two Fire Stations within the unincorporated areas of Bay Point and Pacheco. The County of Contra Costa is working on an issuance of bonds to

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **12/15/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

#### **VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 15, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Timothy Ewell, (925)  
655-2043

cc:



### BACKGROUND: (CONT'D)

finance new capital project needs of the County and the District has an opportunity for the County to issue additional bonds and use those proceeds to assist the District with its Fire Station replacement projects. The vehicle to accomplish this is through an Installment Sale Agreement between the County and the District, pursuant to which the County will provide funds to finance the District's projects in consideration of the payment by the District of installments of principal and interest as set forth in the Agreement. The principal and interest amounts in the Agreement will then be used by the County to satisfy its debt service payment obligations arising from the 2021 Bonds.

This arrangement allows for the District to benefit from the County's excellent credit rating, resulting in lower interest costs to the District, reducing costs of issuance by participating in a larger County issuance of bonds, whereby the District would only be responsible for its pro-rata share of costs of issuance, and avoiding duplication of staff efforts within the County and the District to facilitate issuance of debt.

### CHILDREN'S IMPACT STATEMENT:

No impact.

### ATTACHMENTS

Resolution 2020/343

Resolution No. 2020/343 - Clerk's Certificate

Resolution No. 2020/343 - Exhibit A

Installment Sale Agreement