

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: COUNTY EXECUTIVE OFFICE **SUBMITTAL DATE:** July 15, 2003

SUBJECT: Assessment District No. 159 (Rancho Villages) of the County of Riverside

RECOMMENDED MOTION:

That the Board approves and adopts Resolution No. 2003-375 authorizing the issuance of an additional series limited obligation improvement bonds, the Series D Bonds, in a principal amount not to exceed \$2,000,000, prescribing the terms thereof, providing for the appointment of a Fiscal Agent, and approving various documents related thereto.

BACKGROUND:

On March 22, 1988, the Board of Supervisors initiated proceedings to establish Assessment District No. 159 (Rancho Villages) of the County of Riverside (the "Assessment District"). The Assessment District has issued three series of limited obligation improvement bonds to fund the construction of certain public improvements (i) the Series A Bonds, in the principal amount of \$6,196,153.59, issued on December 22, 1988; (ii) the Series B Bonds, in the principal amount of \$36,554,302.11, issued on August 24, 1989, and (iii) the Series C Bonds, in the principal amount of \$25,146,171.00, issued on March 26, 1992.

On August 10, 1999, the Board of Supervisors authorized the sale and issuance of bonds to refund the Series A, Series B and Series C Bonds, the principal amount of the Refunding Bonds was \$43,031,000.00 and resulted in saving to all of the property owners within the Assessment District.

(Continued on Page 2)

Jerry Norris
Jerry Norris, Senior Management Analyst

FINANCIAL DATA:

CURRENT YEAR COST \$ 0
NET COUNTY COST \$ 0

ANNUAL COST \$ 0
IN CURRENT YEAR BUDGET: YES / NO / X
BUDGET ADJUSTMENT: YES/ NO/X FOR FY: 00/01

SOURCE OF FUNDS: Bond Proceeds

C. E. O. RECOMMENDATION: APPROVE

County Executive Officer Signature

Bhonda King

FORM APPROVED
COUNTY COUNSEL

JUL 09 2003

Policy ✓
Policy ✓

Consent
Consent

Department Recommendation:
Per Executive Office:

Prev. Agn. ref.

Dist. 1 / 3

AGENDA NO.

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

Form 11
AD No. 159 Series D
Page 2

There is presently a need to issue an additional series of bonds (the "Series D Bonds") to construct the last two projects within the Assessment District, Deerhollow Way and additional improvements to State Route 79 South. The County's intent to issue this additional bond series was noticed in October of 2002. The aggregate assessment was \$2,899,100.55, but two of the principal Property Owners (the Temecula Valley Unified School District and S-P Murdy/Wolf Creek Development) have elected to pay off their assessment prior to the bonds being issued, which has resulted in the bond sizing of the Series D Bonds being reduced to an amount less than \$2,000,000.

In June of this year, the Board took action to release all unused bond authorization for the Assessment District other than that need for the Series D Bonds.

Approval of the attached resolution provides for the determination of the amount of unpaid assessments, and provides for the issuance of the Series D Bonds secured by the original assessment of the Assessment District and their sale of the County's Public Financing Authority, the appointment of a Fiscal Agent and the approval of the related documents required to effectuate the sale.

RESOLUTION NO. 2003-375

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE DETERMINING UNPAID ASSESSMENTS AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,000,000 COUNTY OF RIVERSIDE ASSESSMENT DISTRICT NO. 159 (RANCHO VILLAGES) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES D, PRESCRIBING THE TERMS THEREOF, PROVIDING FOR THE APPOINTMENT OF A FISCAL AGENT AND APPROVING VARIOUS DOCUMENTS RELATED THERETO

WHEREAS, on March 22, 1988, the Board of Supervisors of the County of Riverside (respectively, the "Board of Supervisors" and the "County") adopted Resolution No. 88-139 (the "Resolution of Intention") declaring its intention to order an assessment to finance the costs of certain improvements, declaring the work to be of more than local benefit, describing the district to be assessed and providing for the issuance of bonds pursuant to the provisions of the Municipal Improvement Act of 1913 (the "1913 Act"), constituting Division 12 (commencing with Section 10000) of the Streets and Highways Code of the State of California (the "Code"), and the sale of bonds pursuant to the Improvement Bond Act of 1915 (the "1915 Act"), constituting Division 10 (commencing with Section 8500) of the Code; and

WHEREAS, the Board of Supervisors, by adoption of Resolution No. 88-192 on June 28, 1988, confirmed an assessment for Assessment District No. 159 (Rancho Villages) of the County of Riverside (the "Original District") in the amount of \$77,535,714.82 that allowed the County to issue for the Original District, in one or more series, limited obligation improvement bonds in a total amount not to exceed the confirmed assessment amount; and

WHEREAS, pursuant to the Resolution of Intention, the Board of Supervisors, among other things, directed the Assessment Engineer to prepare and file a written report (the "Engineer's Report") with the Clerk of the Board of Supervisors describing the public improvements and the assessments representing such improvements in accordance with Section 10204 of the Code and to file a supplement to the Engineer's Report for each series of bonds proposed to be issued by the County for the Original District; and

WHEREAS, in furtherance of Resolution No. 88-139, on December 8, 1988, the Board of Supervisors adopted Resolution No. 88-634 providing for the issuance of Assessment District No. 159 (Rancho Villages) of the County of Riverside Limited Obligation Improvement Bonds, Series A, issued on December 22, 1988 in the principal amount of \$6,196,153.59, and on July 18, 1989, the Board of Supervisors adopted Resolution No. 89-375 providing for the

issuance of Assessment District No. 159 (Rancho Villages) of the County of Riverside Limited Obligation Improvement Bonds, Series B, issued on August 24, 1989 in the principal amount of \$36,554,302.11, and on March 10, 1992, the Board of Supervisors adopted Resolution No. 92-130 providing for the issuance of Assessment District No. 159 (Rancho Villages) of the County of Riverside Limited Obligation Improvement Bonds, Series C, issued on March 26, 1992 in the principal amount of \$25,146,171.00, (collectively, the "Prior Bonds"); and

WHEREAS, on August 10, 1999, the Board of Supervisors adopted Resolution No. 99-365 (which replaced and superceded Resolution No. 99-201 adopted by the Board of Supervisors on June 29, 1999) authorizing the issuance of not to exceed \$46,000,000 County of Riverside Reassessment District No. 159 (Rancho Villages) Limited Obligation Refunding Bonds (the "Refunding Bonds"), issued on August 17, 1999 in the principal amount of \$43,031,000, to refund the Prior Bonds, prescribing the terms thereof, providing for the appointment of a fiscal agent, approving various financing documents and providing for other matters related thereto; and

WHEREAS, at the direction of the County, a supplement to the Engineer's Report has been prepared by the Assessment Engineer describing the improvements (the "Series D Improvements") and the assessment for such improvements to secure an additional series of bonds (the "Series D Bonds") and a notice of such proposed assessment has been provided in the manner required by law to each owner of property receiving a benefit from the Series D Improvements, providing a period of 30 days during which such owner could pay all or a portion of its assessment, stating that the portion of the assessment remaining unpaid will be used to secure bonds issued to pay the acquisition price of the Series D Improvements, including incidental costs incurred by the County in issuing the bonds;

WHEREAS, the Board of Supervisors now wishes to determine the amount of such unpaid assessments and to provide for the issuance of the Series D Bonds secured by the original assessment of the Original District and to make the findings that the public interest and necessity requires such issuance;

NOW, THEREFORE, BE IT HEREBY RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside in regular session assembled as follows:

Section 1. Definitions. For purposes of this Resolution, the following capitalized term has the indicated meaning:

"Officer of the County" means the Chairman of the Board of Supervisors, the Clerk of the Board of Supervisors, the County Executive Officer, or the Treasurer-Tax Collector of the County, or any designee of any of the foregoing.

Section 2. Additional Bonds. The Board of Supervisors hereby finds and determines that the public interest and necessity require and that it is the intention of this Board

to authorize the issuance of additional bonds on the basis of and secured by a portion of the original assessment not previously utilized to secure prior series of bonds.

Section 3. Unpaid Assessments. The Board of Supervisors hereby finds, following the expiration of the 30-day period during which assessments could be paid in full or in part, based on the Series D Certificate of Paid and Unpaid Assessments, presented by the Assessment Engineer and attached hereto as Exhibit A, that such unpaid assessments shall be used to secure bonds to acquire the Series D Improvements and to pay incidental costs of issuing bonds.

Section 4. Appointment of Fiscal Agent. The Board of Supervisors hereby determines to appoint U.S. Bank National Association as Fiscal Agent (the "Fiscal Agent") under the terms of the Fiscal Agent Agreement, hereinafter defined.

Section 5. Terms of Series D Bonds. The Series D Bonds shall be issued in an aggregate principal amount of not to exceed \$2,000,000 upon the terms and conditions contained in the Fiscal Agent Agreement, which terms and conditions are by this reference incorporated herein.

The Bonds shall be issued in fully registered form in the denomination of \$5,000 and integral multiples thereof. The Bonds shall be dated their date of issuance. The Bonds shall be executed as provided in Section 3.02 of the Fiscal Agent Agreement. The Bonds shall be numbered as determined by the Fiscal Agent and shall bear interest and mature as provided in the District Purchase Contract hereinafter defined; provided, however, that in no event (a) may the net interest cost (but not including purchaser's discount) of the Bonds exceed 12%, (b) shall the first maturity of the Bonds be earlier than September 2, 2004, and shall the last installment of the Bonds mature later than September 2, 2014. The Bonds are subject to redemption as provided in Article IV of the Fiscal Agent Agreement.

Section 6. Fiscal Agent Agreement. The proposed form of Fiscal Agent Agreement, dated as of August 1, 2003 (the "Fiscal Agent Agreement"), by and between the County and the Fiscal Agent, related to the Bonds, and the proposed form of the First Supplemental Fiscal Agent Agreement, by and between the County and the Fiscal Agent, related to the Refunding Bonds, presented to the Board of Supervisors on July 15, 2003, is hereby approved. The Officers of the County, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the County, to execute by manual or facsimile signature and deliver the Fiscal Agent Agreement in substantially the form presented herewith with such changes therein as they may approve, in their discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. District Purchase Contract. The proposed form of District Purchase Contract (the "District Purchase Contract") between the County and the Riverside County Public Financing Authority (the "Authority"), as purchaser of the Bonds, presented to the Board of Supervisors on July 15, 2003, is hereby approved. The Officers of the County, and each of them acting alone is, hereby authorized and directed, for and in the name of and on

behalf of the County, to execute by manual or facsimile signature and deliver the District Purchase Contract in substantially the form presented herewith with such changes therein as they may approve, in their discretion, as being in the best interests of the County, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the purchaser's discount shall not exceed 2.75% of the principal amount of the Bonds.

Section 8. Bond Purchase Agreement. The form of the Bond Purchase Agreement (the "Bond Purchase Agreement"), by and among the Authority, the County, and Stone & Youngberg LLC (the "Underwriter"), related to the Authority's Assessment Revenue Bonds, Series 2003 (Junior Lien Bonds), in an aggregate principal amount not to exceed \$5,000,000 (the "Authority Bonds") and presented on July 15, 2003, is hereby approved and each of the Officers of the County, and each of them acting alone is, hereby authorized to execute the Bond Purchase Agreement in the form so approved, with such additions thereto and changes therein as are necessary to conform the Bond Purchase Agreement to the dates, amounts, interest rates and other terms applicable to the Authority Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter's fee does not exceed 2.75% of the principal amount of the Authority Bonds.

Section 9. Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to be entered into among the Authority, the County on behalf of each District and U.S. Bank National Association, as initial dissemination agent presented on July 15, 2003, is hereby approved and each of the Officers of the County, and each of them acting alone is, hereby authorized and directed to execute a Continuing Disclosure Agreement in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein or to bring the agreement into compliance with Rule 15c2-12 of the Securities and Exchange Commission, with such approval to be conclusively evidenced by the execution and delivery of such agreement.

Section 10. Preliminary Official Statement. The form of the Preliminary Official Statement (the "Preliminary Official Statement") presented on July 15, 2003 is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Authority Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Executive Director of the Authority, or his designee (the "Executive Director"), to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to make the information therein on the owners of the property in the Districts and all other matters accurate and not misleading. The Chairman of the Board of Supervisors or Officer of the County is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such permitted changes as are determined necessary by the Executive Director, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the

Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the County and the Authority as described above.

Section 11. Infrastructure Funding and Reimbursement Agreement. The form of the Infrastructure Funding and Reimbursement Agreement (Deer Hollow Way) (the "Deer Hollow Agreement") made and entered into by and among the County, on behalf of the Original District and Assessment District No. 159 Supplemental (Rancho Villages) of the County, the City of Temecula, Centex Homes, a Nevada general partnership and Redhawk Communities, Inc., a California corporation, as of July 1, 2003, is hereby approved and each of the Officers of the County, and each of them acting alone is, hereby authorized and directed to execute the Deer Hollow Agreement in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such agreement.

Section 12. Delegation of Authority. The Officers of the County are, and each of them hereby is, authorized and directed to do any and all things, and to execute and deliver any and all documents which said Officers may deem necessary or advisable in order to consummate the issuance of the Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Bonds, the Fiscal Agent Agreement, the Local Obligation Purchase Contract, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Preliminary Official Statement.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED on this 15th day of July, 2003.

COUNTY OF RIVERSIDE

CHAIRMAN

ATTEST:
NANCY ROMERO, CLERK TO
THE BOARD OF SUPERVISORS

BY: _____

1006

EXHIBIT 'A'
A.D. 159 R
BOND SERIES D

Assessor's Parcel Number	Assessment Number	Confirmed Assessment	Unpaid Balance
962-020-001-4	012-267	\$316,449.73	\$0.00
962-020-002-5	012-268	\$647,157.63	\$31,718.66
962-020-008-1	012-269	\$142,580.63	\$142,580.63
962-020-003-6	012-270	\$316,845.86	\$65,445.96
962-030-002-6	012-277	\$138,236.67	\$138,236.67
962-020-007-0	012-278	\$185,750.88	\$185,750.88
962-020-006-9	012-279	\$152,086.00	\$152,086.00
962-020-005-8	012-280	\$78,419.32	\$78,419.32
962-190-007-6	012-621	\$47,871.53	\$47,871.53
962-040-004-9	013-010	\$266,942.58	\$266,942.58
962-040-005-0	013-011	\$440,415.69	\$440,415.69
962-040-006-1	013-012	\$166,344.03	\$166,344.03
		\$2,899,100.55	\$1,715,811.95