

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



FROM: Economic Development Agency **SUBMITTAL DATE:** September 8, 2003

SUBJECT: Third Amendment to the Settlement and General Release and Cooperative Agreement/Loan Agreement with the City of Hemet and the Redevelopment Agency of the City of Hemet

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman to execute the attached Third Amendment to the Settlement and General Release and Cooperative Agreement between the County, City of Hemet, and the Redevelopment Agency of the City of Hemet;
2. Approve and authorize the Chairman to execute the attached Loan Agreement between the County and the Redevelopment Agency of the City of Hemet;
3. Approve the use of \$1,500,000 of Third District Public Facilities Developer Agreement Funds for the Hemet-Ryan Fire Station Project;
4. Direct the Executive Office to transfer \$1,500,000 from Third District Public Facilities Developer Agreement Fund No. 30558-1103500000 to Mitigations Operations Fund No. 22550;
5. Direct the Executive Office to transfer \$1,500,000 from Mitigations Operations Fund No. 22550-1103500000 to the Economic Development Agency Fund No. 32710-1900100000; and
6. Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Estimated Revenue:	
32710-1900100000-722000	Mitigation Fee
\$1,500,000	
Increase Appropriations:	
32710-1900100000-542060	Improvements
\$1,500,000	

**REQUIRES
4/5 VOTE**

Bradley J. Hudson
Bradley J. Hudson
Assistant County Executive Officer/EDA

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FINANCIAL DATA:

CURRENT YEAR COST: \$1,500,000
 NET COUNTY COST: \$
 BUDGET ADJUSTMENT: Yes
 COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No
 SOURCE OF FUNDS: Third District Public Facilities Developer Agreement Funds

ANNUAL COST \$
 IN CURRENT YEAR BUDGET: No
 FOR FY:

FORM APPROVED
 COUNTY COMPTROLLER

C.E.O. RECOMMENDATIONS:

APPROVE

SEP 15 2003

County Executive Officer Signature: *Rhonda King*

BY *Lee A. Vinocour*

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, Auditor-Controller

Department Recommendation: Consent Policy
 Per Executive Office: Consent Policy

BY *R. King* 9/17/03
 Deputy

BACKGROUND: Previous Board action approved the relocation of the Hemet-Ryan Fire Station to Winchester, authorized the use of the vacated Hemet-Ryan Station by the City of Hemet, and donated five acres of land to the City of Hemet for the construction of a new City of Hemet Fire Station at the Hemet-Ryan Airport. The Loan Agreement before the Board today would facilitate the immediate construction of this fire station by loaning \$1.5 million in Third District Development Agreement Funds to the Hemet Redevelopment Agency. The terms of the loan are zero percent interest repayable in full within seven years.

The Third Amendment to the Settlement Agreement adds the fire station as an authorized Hemet Redevelopment Agency project under that agreement and provides for County subordination of our pass-through to repayment of the Loan Agreement. In addition, the Third Amendment also authorizes the Hemet Redevelopment Agency to issue bonds in the aggregate amount of \$3.0 million for the purpose of acquiring the Hemet Stock Farm which is a historical site within the City. The County's pass-through would also be subordinate to this new \$3.0 million of bonded indebtedness. Based on our analysis, the subordinations recommended herein will have no impact on the County General Fund.

The proposed fire station will serve both City and County residents, and the City will operate specialized aviation-oriented firefighting equipment to serve the airport. Based on the public safety benefits of the fire station project, repayment of the loan funds, minimal impact to the general fund, and the acquisition and preservation of a significant historical site, we strongly recommend approval as presented. County Counsel has reviewed and approved the attached documents. A notice of exemption will be filed for the project.