

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

665



FROM: Economic Development Agency

SUBMITTAL DATE:
August 2, 2004

SUBJECT: Industrial Development Bonds - Reimbursement Resolution - Paradyme Group - Imperial Range Manufacturing

RECOMMENDED MOTION: That the Board adopt Resolution No. IDA 04-003 expressing its intention to issue tax exempt and/or taxable industrial development bonds for the purpose of funding the acquisition of property located in Corona for the benefit of Paradyme Group and their end user Spenuzza, Inc., d/b/a Imperial Range Manufacturing.

BACKGROUND: Paradyme Group, (the "Applicant") has submitted an application requesting that the Authority issue \$5.2 million in tax exempt and/or taxable industrial development revenue bonds for the purpose of financing a portion of the cost of the acquisition of an 85,000 square foot manufacturing facility located at 1128 Sherhorn Sreet in Corona at the Corona Crossroads Business Park. This proposed project will allow the applicant to consolidate its two existing facilities in the City of Duarte into one Corona facility and increase its capacity to meet the needs of existing and future customers. The expansion will create 30 new jobs for the company, improve efficiency, strengthen the company and allow them to remain located in southern California by reducing overall costs. The applicant has routinely been solicited by other states to move out of California however they are committed to remaining in the area. The proposed bond financing will help them to do so. Staff recommends approval of the resolution, which is needed for inclusion with the company's application to the California Debt Limit Allocation Committee.

Departmental Concurrence

FORM APPROVED
COUNTY COUNSEL

AUG 02 2004

Bradley J. Hudson, Assistant CEO/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	na
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	no
	Annual Net County Cost:	\$ 0	For Fiscal Year:	na

SOURCE OF FUNDS: na	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

County Executive Office Signature

Prev. Agn. Ref.: District: 2 Agenda Number:

RESOLUTION NO. IDA 2004-03

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF RIVERSIDE MAKING
DETERMINATIONS WITH RESPECT TO THE FINANCING
OF FACILITIES FOR PARADYME GROUP, A
CALIFORNIA GENERAL PARTNERSHIP AND SPENUZZA,
INC. OR A RELATED ENTITY AND DECLARING ITS
INTENT TO REIMBURSE CERTAIN EXPENDITURES
FROM PROCEEDS OF INDEBTEDNESS**

WHEREAS, the Industrial Development Authority of the County of Riverside (the "Issuer") is authorized and empowered by the provisions of the California Industrial Development Financing Act, being Title 10 of the California Government Code, as amended and supplemented (the "Act"), to issue industrial revenue bonds for the purpose of paying the cost of financing a project, as that term is defined in the Act;

WHEREAS, Paradyme Group, a California general partnership (the "Applicant") has submitted, and the Board of Directors of the Issuer has accepted, an application (the "Application") requesting the Issuer to issue and sell its tax-exempt and/or taxable industrial revenue bonds (the "Bonds") pursuant to the provisions of the Act for the purpose of financing a portion of the cost of the (1) acquisition of the real property and improvements located at 1128 Sherborn Street, Corona, California (Corona Crossroads Business Park) (the "Facility"), (2) acquisition and installation of manufacturing equipment at the Facility and (3) payment of capitalized interest and certain costs of issuance in connection with the Bonds, constituting a project under the Act (the "Project") for the Applicant or a related entity (collectively, the "Borrower");

WHEREAS, the Project will be used by Spenuzza, Inc., d/b/a Imperial Manufacturing Company and Imperial Commercial Cooking Equipment for the manufacture and distribution of commercial cooking equipment or for the manufacture of other tangible personal property;

WHEREAS, the Issuer may not issue the Bonds to finance the Project until the Board of Directors of the Issuer makes certain determinations with respect to the public benefits and qualification of the Project as required by the Act;

WHEREAS, the Borrower expects to pay certain expenditures (the "Reimbursable Expenditures") in connection with the Project prior to the issuance by the Issuer of the Bonds for the purpose of financing the costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that the Bonds in an amount not expected to exceed \$5,200,000 will be issued to finance the costs of the Project and that certain of the proceeds of the Bonds will be used to reimburse the Reimbursable Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Issuer to declare its reasonable official intent to reimburse Reimbursable Expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the Board of Directors of the Industrial Development Authority of the County of Riverside does resolve as follows:

Section 1. The Board of Directors of the Issuer finds and determines that the foregoing recitals are true and correct.

Section 2. This Resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations and Section 91503 of the Act. This Resolution does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. All of the Reimbursable Expenditures covered by this Resolution were made not earlier than 60 days prior to the date of this Resolution. The Issuer presently intends and reasonably expects to issue the Bonds within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date of the original expenditure of such moneys), and to allocate an amount of not to exceed \$5,200,000 of the proceeds thereof to the Reimbursable Expenditures in connection with the Project.

Section 4. Based on the representations of the Applicant contained in the Application, the Board of Directors of the Issuer hereby finds and determines:

- a. That the use of the Project for manufacturing purposes is in accord with Section 91503 of the Act;
- b. That the use of the Project is likely to produce employment benefits by securing or increasing the number of employees of the Borrower and any other direct users of the Project or the compensation for such employment;
- c. That the issuance of the Bonds by the Issuer in the amount sufficient to finance all or a portion of the cost of the Project is likely to be a substantial factor in the accrual of each of such public benefits from the use of the Project; and
- d. That the proposed financing of the Project is otherwise in accord with the purposes and requirements of the Act.

Section 5. The Board of Directors of the Issuer hereby declares its official intent to use proceeds of the Bonds to reimburse the Borrower for the Reimbursable Expenditures.

Section 6. The issuance of the Bonds and the completion of the Project shall be subject to compliance with the provisions of the Act.

Section 7. In no event shall the Bonds constitute a pledge of the faith and credit of the County of Riverside (the "County"), the State of California (the "State") or any political corporation, subdivision or agency of the State, and none of the County, the State or any political corporation, subdivision or agency of the State shall be liable to make any appropriation for the repayment of the Bonds. The Bonds shall constitute a special obligation of the Issuer payable solely from the revenues or other sources provided for in a loan agreement and proceedings to be provided for hereafter.

Section 8. The Managing Director of the Economic Development Agency of the County (the "Managing Director"), or her designee is hereby requested and authorized to (i) publish or cause to be published in a newspaper of general circulation within the County, notice of the filing of the Application by the Borrower in accordance with Section 91530(e) of the Act and of a public hearing to be held by the Board of Supervisors of the County with respect to the financing of the Project for the purpose of satisfying the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, (ii) file a copy of this Resolution and the Application with the Clerk of the Board of Supervisors of the County, (iii) file a copy of this Resolution and the Application with the City Clerk of the City of Corona, (iv) file such information with the California Industrial Development Financing Advisory Commission as may be required for the review and approval of the Project pursuant to Section 91531 of the Act, and (v) file an application on behalf of the Issuer with the California Debt Limit Allocation Committee to receive a portion of the State's volume cap allocation for the Project. To the extent the Managing Director has already undertaken any of the above actions to facilitate the financing of the Project in a timely manner, the Board of Directors hereby ratifies and confirms all of such actions.

Section 9. All actions heretofore taken by the Managing Director and the officers, employees and agents of the Issuer in connection with the financing of the Project are hereby ratified and confirmed. The Managing Director and the officers, employees and agents of the Issuer are hereby authorized to take any and all actions in connection with the financing of the Project and as may be necessary and consistent with the purposes of this Resolution.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Industrial Development Authority of the County of Riverside on August 10, 2004, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Chairman, Industrial Development Authority
of the County of Riverside

ATTEST:

Secretary, Industrial Development Authority
of the County of Riverside