

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

798



FROM: Executive Office

SUBMITTAL DATE:
August 16, 2004

SUBJECT: Capital Improvement Plan Financing

RECOMMENDED MOTION: That Resolution #2004-417 authorizing reimbursement of certain expenditures made in connection with Capital Improvement Plan be approved.

BACKGROUND: On July 13, 2004, item #3.70, the Board approved the FY 2004-05 Final Budget. Included in that board action was approval of the FY 2004-05 Capital Improvement Plan (CIP) project list, and direction for the CIP team to proceed with debt financing of the CIP projects. As a number of the CIP projects enter the design phase, there will be associated design and management costs. To insure that these projects stay on schedule it is being recommended that county funds pay these costs and be reimbursed from the upcoming CIP Financing. Approval of Reimbursement Resolution #2004-417 meets the federal Treasury Regulation requirements allowing the County to be reimbursed by bond proceeds when the financing is completed.

Departmental Concurrence

Dean Deines
Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	

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

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature

Policy
 Consent
 Dept't Recomm.:
 Policy
 Consent
 Per Exec. Ofc.:

Prev. Agn. Ref.: 7/13/04 #3.70 | **District:** All | **Agenda Number:**

3.10

RESOLUTION NO. 2004-417

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF RIVERSIDE AUTHORIZING
REIMBURSEMENT OF CERTAIN EXPENDITURES
MADE IN CONNECTION WITH CAPITAL
IMPROVEMENT PLAN**

WHEREAS, the County of Riverside ("County") desires to finance the acquisition, purchase, modification, expansion, improvement, rehabilitation, leasing or construction of various facilities identified pursuant to the County's Capital Improvement Plan, and to pay incidental expenses incurred in conjunction therewith (the "Project");

WHEREAS, the County expects to enter into a long-term lease arrangement to finance the costs of the Project (the "Lease Financing");

WHEREAS, the County expects to expend moneys (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Project prior to the consummation of the Lease Financing, which expenditures would be properly chargeable to a capital account under general federal income tax principles;

WHEREAS, the County reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Lease Financing;

WHEREAS, the County expects that the maximum principal amount of proceeds of the Lease Financing which will be issued to pay for the costs of the Project (and related issuance costs) will not exceed \$85,000,000;

WHEREAS, at the time of the reimbursement, the County will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Lease Financing to the County for the purpose of reimbursing the County for the capital expenditures made prior to the consummation of the Lease Financing;

WHEREAS, the County expects to make the reimbursement allocation no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure is paid or (ii) the date on which the Project is placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure for the Project is paid;

WHEREAS, the County will not, within one (1) year of the reimbursement allocation, use the proceeds of the Lease Financing received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Lease Financing or another issue; and

WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Section 1.150-2 of the Treasury Regulations, the County declares its intention to consummate a Lease Financing in a principal amount not to exceed \$85,000,000, the proceeds of which will be used to pay for the costs of the Project (and related issuance costs), including the reimbursement to the County for certain capital expenditures relating to the Project made prior to the consummation of the Lease Financing.

This Resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED this 24th day of August 2004.

COUNTY OF RIVERSIDE

By: _____

Roy Wilson, Chairman
Board of Supervisors

FORM APPROVED
COUNTY COUNSEL

AUG 16 2004

BY *DeSoto*
ASSISTANT COUNTY COUNSEL