

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

211



FROM: Economic Development Agency

SUBMITTAL DATE:
9-20-04

SUBJECT: Public Hearing, Approval of Allocation and Approval of Issuance of \$5,400,000 in Empowerment Zone Tax Exempt Bonds for Guy Evans

RECOMMENDED MOTION: That the Board:

1. Conduct the public hearing; and
2. Adopt Resolution No. 2004-454 approving the allocation of empowerment zone private activity bonds and approving the issuance of the bonds by the Industrial Development Authority for the benefit of Guy Evans, Inc.

Departmental Concurrence

BACKGROUND: On February 24, 2004, the Board of Directors of the Industrial Development Authority adopted a resolution of intention to provide tax exempt bond financing for the cost of the land and construction of a 100,000 square foot facility for Guy Evans Inc. a finish work carpentry company specializing in the distribution and installation of doors, moldings and builders hardware. The facility will house a 50,000 square foot product warehouse, a 5,000 square foot corporate office and 45,000 square feet of manufacturing space in the Spectrum at Shadow Hills in Indio. Within two years of completion it is expected that the number of jobs at the site will increase from 300 to 475.

Continued on page 2.

BJH:RZ:BJG:TE

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Bradley J. Hudson
Assistant County Executive Officer/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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: no

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

County Executive Office Signature *Blonda King*

Dept'l Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 2-24-02, 6.1 **District:** 4 **Agenda Number:**

9.2

Background Continued.

Bonds for the project will be financed under the \$60 million dollar allocation of tax exempt private activity bonds conferred to the County of Riverside in 1999 for use on industrial development projects within the Desert Communities Empowerment Zone (DCEZ). On September 18, 2004, the Desert Alliance for Community Empowerment, the non-profit corporation responsible for implementing the Strategic Plan of the DCEZ adopted a resolution recommending approval of the proposed allocation and financing. Guy Evans is the first company to apply for a portion of the \$60 million available for funding such projects within the DCEZ. The allocation remaining after this approval will be \$54,600,000 plus any allocation that is not used by Guy Evans Inc. Staff recommends that the Board conduct the public hearing and adopt the resolution approving the allocation of \$5.4 million.

RESOLUTION NO. 04-454

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE OF NOT TO EXCEED \$5,400,000 AGGREGATE PRINCIPAL AMOUNT OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE BENEFIT OF GUY H. EVANS AND MALIA EVANS, AS CO-TRUSTEES OF THE EVANS FAMILY TRUST, U/D/T DATED APRIL 18, 1995, AND GUY EVANS, INCORPORATED OR A RELATED ENTITY AND ALLOCATING AN AMOUNT NOT TO EXCEED \$5,400,000 OF THE DESERT COMMUNITIES EMPOWERMENT ZONE CEILING FOR PRIVATE ACTIVITY BONDS FOR THE BENEFIT OF PROJECT TO BE FINANCED

WHEREAS, pursuant to the Taxpayer's Relief Act of 1997 (the "Taxpayer's Relief Act"), the federal government has designated portions of the County of Riverside and various cities therein as an empowerment zone (the "Desert Communities Empowerment Zone");

WHEREAS, pursuant to the Taxpayer's Relief Act, among the tax incentives conferred upon the County of Riverside (the "County") is the ability to issue up to \$60 million in tax-exempt empowerment zone facility bonds (the "Empowerment Zone Ceiling") to make loans to qualifying business borrowers to finance the cost of certain commercial, retail, industrial or other facilities qualifying as "enterprise zone facilities" as that term is defined in Section 1394 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, no portion of the Empowerment Zone Ceiling has been utilized by the County;

WHEREAS, the Industrial Development Authority of the County of Riverside (the "Authority") has accepted an application from Guy H. Evans and Malia Evans, as co-trustees of The Evans Family Trust, u/d/t dated April 18, 1995, and Guy Evans, Incorporated or a related entity (collectively, the "Borrower") requesting the Authority to issue its empowerment zone facility revenue bonds pursuant to the California Industrial Development Financing Act, being Title 10 of the California Government Code, as supplemented and amended (the "Act"), to finance or reimburse the Borrower for the cost of (1) the real property located on Avenue 42 between Monroe Street and Jackson Street in Indio, California (the "Project Site"), (2) an approximately 100,000 square foot facility on the Project Site, (3) equipment to be installed at the Project Site and (4) capitalized interest and certain costs of issuance in connection with such bonds, constituting a project under the Act (the "Project");

WHEREAS, the Borrower will use the Project to manufacture and distribute doors, moldings and builders hardware or for other qualified purposes;

WHEREAS, the Board of Directors of the Authority in its resolution of intention, adopted on February 24, 2004, expressed its intention to issue its empowerment zone facility

revenue bonds in an aggregate principal amount not to exceed \$5,400,000 (the "Bonds") for the benefit of the Borrower;

WHEREAS, the Authority has made the determinations required to be made pursuant to Section 91530 of the Act preliminary to the issuance by the Authority of the Bonds;

WHEREAS, the Board of Directors of the Desert Communities for Community Empowerment at its regular meeting of September 18, 2004, did unanimously recommend to the Board of Supervisors that it approve the Project and allocate a portion of the Empowerment Zone Ceiling for the Project;

WHEREAS, this Board of Supervisors has considered the information contained in the aforesaid application, the determinations of the Authority and other information available to the Board of Supervisors;

WHEREAS, the issuance of the Bonds must be approved by this Board of Supervisors in order to satisfy the public approval requirement of Section 147(f) of the Code and Section 91530(f) of the Act;

WHEREAS, the Clerk of the Board of Supervisors has caused a notice to appear in The Press-Enterprise, which is a newspaper of general circulation in the County of Riverside, on September 13, 2004, to the effect that a public hearing would be held by the Board of Supervisors on September 28, 2004, regarding the issuance of the Bonds and the nature and location of the Project;

WHEREAS, the Board of Supervisors has held said public hearing on September 28, 2004, providing a reasonable opportunity for persons to comment on the issuance of the Bonds and the nature and location of the Project; and

WHEREAS, it is intended that this Resolution shall constitute the approval of the Project and the issuance of the Bonds required by Section 147(f) of the Code and Section 91530(f) of the Act;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Riverside, that:

Section 1. The Board of Supervisors hereby expresses its full support for the Project to be undertaken by the Borrower. The Board of Supervisors finds and determines that the Project is vital to, and will provide significant public benefits to residents of, the Desert Communities Empowerment Zone.

Section 2. The Authority is hereby designated as an issuer in an amount of the Empowerment Zone Ceiling equal to Five Million Three Hundred Thousand Dollars (\$5,400,000.00) for the benefit of Borrower (the "Allocation"). The Allocation may only be used by the Authority for the Project, as specifically described above and represented in the application. Any modification of the Project may require reconsideration by the Board of Supervisors before the Allocation may be used for the Project. The Authority is not authorized

to transfer the Allocation set forth herein to any other governmental unit in the State except the County.

Section 3. The Board of Supervisors of the County hereby approves the Project and the issuance of the Bonds. The Bonds may be tax-exempt or taxable as determined by the Authority in its final resolution, in an amount not to exceed \$5,400,000 to finance the costs of the Project. The Bonds and the interest thereon shall be paid from revenues received by the Authority from the Borrower pursuant to a financing agreement with respect to the Project to be entered into between the Authority and the Borrower. This resolution shall constitute both "host" and "issuer" approval of the Bonds within the meaning of Section 147(f) of the Code and shall constitute approval of the Project and the issuance of the Bonds within the meaning of Section 91530(f) of the Act.

Section 4. All actions heretofore taken by the officers, employees and agents of the County with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers and employees of the County and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 5. This Resolution shall take effect from and after its adoption.

FORM APPROVED
COUNTY COUNSEL

SEP 20 2004

BY 
ASSISTANT COUNTY COUNSEL