

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

815



FROM: County Executive Office

SUBMITTAL DATE:
May 10, 2004

SUBJECT: Community Facilities District No. 88-8 ("A" Street - North) Tax Protocol Agreement by and between the County of Riverside and the Riverside County Transportation Commission.

RECOMMENDED MOTION: That the attached Agreement by and between the County of Riverside, and the Riverside County Transportation Commission be approved and the Chairman be authorized to execute said Agreement on behalf of the County.

BACKGROUND: In mid 2004, the Riverside County Transportation Commission ("RCTC") approached Community Facilities District No. 88-8 (the "District") with a request to assist them with the acquisition of right of way property for the Cajalco corridor, or what is now known as the Mid County Parkway (the "Parkway"). It is common knowledge that the District is a largely undeveloped industrial park which has been in default for a number of years, and which has the ability to foreclose on delinquent property within its boundaries.

The attached Tax Protocol Agreement sets forth the terms by which the County will cancel delinquent ad valorem taxes on parcels within the district that are being acquired by RCTC. The parcels being acquired are determined by RCTC to be necessary for future right of way for the Parkway.

(Continued on Page 2)


Jerry Norris, Senior Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2004

SOURCE OF FUNDS: N / A	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 

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

Prev. Agn. Ref.: | District: 1 | Agenda Number:

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

3.4

Departmental Concurrence

Form 11
Tax Protocol Agreement
Page 2

Concurrent with this transmittal, staff is presenting an Inducement, Escrow and Workout Agreement to the Board of Supervisors, acting as the Legislative Body of CFD 88-8, for consideration and approval. This agreement sets forth the terms and conditions by which RCTC will acquire parcels within the district and pay the delinquent special taxes, as well as a prepayment of future obligations of the District. District staff believes that the Workout Agreement offers a realistic opportunity to cure the delinquencies within the District and to bring the outstanding matured bonds current.

Cancellation of the taxes will allow the District to sell the parcels for the amount of delinquent special taxes, and in combination with other recent transactions will provide sufficient funds to repay the bondholders of the District those amounts owed in back interest and principal payments. To date the amount owed to those bondholders is approximately \$11,915,000. The total dollar amount of the cancellation is \$_____ consisting of \$_____ for taxes and \$_____ for penalties, interest and costs.

On June 30, 1987, the Board of Supervisors adopted Resolution No. 87-192 which delegated to the County Treasurer-Tax Collector the Board's authority under Section 4986.3 of the California Revenue and Taxation Code, attached as "Exhibit A", to order the County Auditor-Controller to cancel "any uncollected tax, penalties and costs" (the "*Ad Valorem* Taxes") on property acquired by a Special District through a foreclosure proceeding, and, at the request of the County Counsel, waived the requirement that County Counsel provide written consent to the cancellation of the *Ad Valorem* Taxes.

The Protocol Agreement has been reviewed and acknowledged by the Treasurer-Tax Collector and the Auditor Controller. The terms of the agreement comply with the Treasurer-Tax Collectors Policy No. 2003-1, which is attached as "Exhibit A".