

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

422



FROM: County Executive Office

SUBMITTAL DATE:
December 14, 2004

SUBJECT: Joint Settlement & Inducement Agreement between Community Facilities District No. 87-1, the County, the Redevelopment Agency, and Guthrie-Leach, LLC.

RECOMMENDED MOTION: That the attached Settlement & Inducement Agreement (the "Agreement"), between Community Facilities District No. 87-1 (the "District"), the County of Riverside (the "County"), the Redevelopment Agency of the County of Riverside (the "Agency"), and Guthrie-Leach, LLC, (the "Developer"), be approved and the Chairman be authorized to execute the agreement on behalf of the County.

BACKGROUND: CFD No. 87-1 is a largely undeveloped industrial park for which Community Facilities District Bonds have been issued. The District is currently experiencing delinquencies in the payment of special taxes of approximately sixteen percent (16%). Staff believes that the attached Agreement, which induces payment of the delinquent ad valorem and special taxes and encourages the development of the properties by use of incentives, is in the best interest of the bondholders and the County.

The incentives that are part of the agreement include the waiver of penalties and interest associated with the delinquent special taxes of the District, satisfaction of foreclosure actions against the parcels, fast track processing by the Agency, and credit towards the Districts special tax from the Agency through an existing Owner Participation Agreement. The Agreement has been approved as to form by Special Counsel.

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:	2005
SOURCE OF FUNDS: Community Facilities District No. 87-1				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**

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