

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



FROM: Economic Development Agency

SUBMITTAL DATE:
December 8, 2005

SUBJECT: Eliminator Custom Boats and Robert Leach Investments LLC – Industrial Development Bonds – Inducement Resolution

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution Number IDA 2005-03 expressing its intention to issue \$8 million in Industrial Development Bonds for Robert Leach Investments LLC and Eliminator Custom Boats.

BACKGROUND: Robert Leach Investments LLC and Eliminator Custom Boats collectively (the "Applicant"), have submitted an application to finance a portion of the cost to acquire property and construct a 100,000-square-foot manufacturing facility on Citrus Avenue just off the 215 Freeway in the unincorporated Mead Valley area of the County of Riverside. The applicants have outgrown their current facility in Mira Loma, and the relocation will allow them to expand from 36,000 square feet to 100,000 square feet and increase their number of employees from 110 to 150. The new facility will provide for all needs of boat owners with the manufacture, sale, indoor storage and servicing of boats.

It is recommended that the Board adopt Resolution Number IDA 2005-003 declaring its intention to issue up to \$8 million in Industrial Development Bonds for the project.

Departmental Concurrence

RZ:JC:DL:TE

Robin Zimpfer
Robin Zimpfer, Assistant County Executive Officer, EDA

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

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

Lia Brandt

County Executive Office Signature

FORM APPROVED
COUNTY COUNSEL
DEC 10 2005
By *[Signature]*

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

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

6.1

RESOLUTION NO. IDA 2005-03

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF RIVERSIDE MAKING
DETERMINATIONS WITH RESPECT TO THE FINANCING
OF FACILITIES FOR ROBERT LEACH INVESTMENTS,
LLC AND ELIMINATOR CUSTOM BOATS 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 development revenue bonds for the purpose of paying the cost of financing a project, as that term is defined in the Act; and

WHEREAS, Robert Leach Investments, LLC and Eliminator Custom Boats (collectively, the "Applicant") have 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 development 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 located on Harvel Avenue at the 215 Freeway in the unincorporated area of the County of Riverside, California (the "Project Site"), (2) construction of an approximately 100,000 square foot facility on the Project Site, (3) acquisition and installation of equipment at the Project Site and (4) 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"); and

WHEREAS, the Project will be used by the Applicant for the manufacture and distribution of custom performance sport boats and related accessories or for the production of other tangible personal property; and

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; and

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; and

WHEREAS, the Issuer reasonably expects that the Bonds in an amount not expected to exceed \$8,000,000 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 find and determine 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 three (3) years after the date of the original expenditure of such moneys), and to allocate an amount not to exceed \$8,000,000, 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 find and determine:

a. That the use of the Project for manufacturing and distribution 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 declare 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 Assistant County Executive Officer/EDA of the County (the "Authorized Officer"), or 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, (ii) file a copy of this Resolution and the Application with the Clerk of the Board of Supervisors of the County, and (iii) 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.

Section 9. The Authorized Officer or designee is hereby requested to conduct a public hearing 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. The Authorized Officer or her designee is hereby requested and authorized to publish or cause to be published a notice of such public hearing in a newspaper of general circulation within the County at least 14 days prior to the date scheduled for such public hearing.

Section 10. All actions heretofore taken by the officers, employees and agents of the Issuer in connection with the financing of the Project are hereby ratified and confirmed. 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, including the filing of an application with the California Debt Limit Allocation Committee to receive a portion of the State's volume cap allocation for the Project.

Section 11. This Resolution shall take effect from and after its adoption.

FORM APPROVED
COUNTY COUNSEL
DEC 10 2005
BY 

PASSED, APPROVED, AND ADOPTED at a meeting of the Industrial Development Authority of the County of Riverside on December 20, 2005, 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