

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

712



**FROM:** County Executive Office

**SUBMITTAL DATE:**  
February 24, 2006

**SUBJECT:** 2006 Series A (Capital Improvement Projects) Financing

**RECOMMENDED MOTION:** That Resolution 2006-081 authorizing and approving the issuance and sale of Certificates of Participation, 2006 Series A (Capital Improvement Projects); related agreements and documents; and authorizing the preparation of a Preliminary Official Statement and Official Statement and other matters related thereto be approved.

**BACKGROUND:** On March 29, 2005, the Board of Supervisors approved the 2005 Capital Improvement Projects financing of certain county facilities identified in the CIP. These facilities included the Ben Clark Firing Range (phase two), the Ripley Fire Station, three (3) public safety radio sites, the Palm Springs Health Clinic, expansion of the Economic Development Agency building, a Perris Sheriff's Station, a Perris Family Care Center, a Fleet Operations Center, and a Southwest County Regional Animal Shelter, and the Cabazon Refueling Station (collectively the CIP Projects). Since that time the Woodcrest Library has been added to the list and the EDA building has been removed. The regional animal shelter has been removed from this financing and will be included in next CIP financing.  
(CONTINUED)

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:	\$ 2,756,000	For Fiscal Year:	07-08

**SOURCE OF FUNDS:** CORAL Bonds

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
- Policy
- Consent
- Consent

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

Prev. Agn. Ref.: 3.5 3/29/05 | District: | Agenda Number:

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

3.1

FORM APPROVED  
COUNTY COUNSEL

MAR 1 2006

W. Dean Deines

**2006 Series A (Capital Improvement Projects) Financing**  
**Page 2**

Because this is a multiple project financing, and not all projects have the same construction schedule, the financing structure consisted of two series as shown in Table A. The first series (2005 Series A) was successfully issued on April 29, 2005. The second series (2006 Series A), which will finance the Perris Complex (Sheriff Station and Health Clinic), Woodcrest Library and Cabazon Fueling Station projects, is now ready to be issued. It is anticipated that the 2006 Series A will be issued in late March or early April of this calendar year, in an amount not to exceed \$50,000,000.

**TABLE A****2005 A Financing**

<b>Project Name</b>	<b>Finance Amount</b>	<b>Annual Debt Service Amount</b>	<b>Repayment Source</b>
Ben Clark Firing Range	4,000,000	283,000	General Fund
Ripley Fire Station	1,800,000	130,000	Fire Facilities Mitigation Fund
Public Safety Radio Sites	4,000,000	284,000	General Fund
Fleet Operations Center	13,500,000	939,000	Fleet Services Rates
Palm Springs Health Clinic	8,000,000	582,000	Patient Fees/Realignment/ General Fund
<b>Total</b>	<b>31,300,000</b>	<b>2,218,000</b>	

**2006 A Financing**

<b>Project Name</b>	<b>Finance Amount</b>	<b>Estimated Annual Debt Service Amount *</b>	<b>Repayment Source</b>
Cabazon Fueling Station	3,722,250	263,000	Fleet Services Rates
Perris Complex - Sheriff and Health Clinic	30,000,000	2,110,000	General Fund
Woodcrest Library	5,408,694	380,000	Library Fund
<b>Total</b>	<b>39,130,944</b>	<b>2,753,000</b>	

\*The estimated debt service amount is dependent upon market conditions.

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**RESOLUTION NO. 2006-081**

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF CERTIFICATES OF PARTICIPATION, 2006 SERIES A (CAPITAL IMPROVEMENT PROJECTS); RELATED AGREEMENTS AND DOCUMENTS; AND AUTHORIZING THE PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

WHEREAS, the County of Riverside (the "County") deems it to be in its best interests to authorize and approve the execution and delivery of its Certificates of Participation, 2006 Series A (Capital Improvement Projects) (the "Series A Certificates"), the proceeds of which will be used by the County, among other things, to pay the costs of acquisition, construction, installation and delivery of capital facilities of the County (collectively, the "Projects");

WHEREAS, in connection with the financing of the Capital Improvement Projects and the issuance of the Series A Certificates, the County and the County of Riverside Asset Leasing Corporation (the "Corporation") propose to enter into: (i) a Site and Facilities Lease (as hereinafter defined) pursuant to which the County will agree to lease to the Corporation real property, buildings and improvements (collectively, the "Leased Premises"), and (ii) a Sublease and Option to Purchase (as hereinafter defined), pursuant to which the Corporation will agree to sublease the Leased Premises to the County in consideration for which the County will agree to make base rental payments ("Base Rental") and additional rental payments;

WHEREAS, the Corporation proposes to assign and transfer to Wells Fargo Bank, as trustee (the "Trustee"), pursuant to an Assignment Agreement (as hereinafter defined), all of its rights, title and interests (excluding its rights to indemnification and payment or reimbursement of its costs and expenses) in and to the Site and Facility Lease and the Sublease and Option to Purchase, including the right to receive payments of Base Rental under the Sublease and Option to Purchase;

WHEREAS, the Series A Certificates will represent proportionate interests of the owners thereof in rights under the Sublease and Option to Purchase including, without limitation, the right to receive payments of Base Rental thereunder;

1           WHEREAS, the Corporation, the County and the Trustee propose to enter into a Trust  
2 Agreement (as hereinafter defined) to, among other things, fix and declare the terms and conditions  
3 upon which the Series A Certificates are to be executed, delivered, secured and accepted and to secure  
4 the payment thereof and the interest with respect thereto;

5           WHEREAS, the County deems it to be in its best interests to enter into negotiations with one  
6 or more potential providers of credit enhancement with respect to the Series A Certificates or a  
7 guarantee to the Reserve Requirement (as defined in the Trust Agreement) for the Series A  
8 Certificates as of the date of issuance thereof and to consider entering into an agreement or  
9 agreements for such credit enhancement or guarantee;

10           WHEREAS, the County desires to participate in the issuance of the Series A Certificates  
11 pursuant to and in accordance with the Trust Agreement, and to approve all proper and necessary  
12 documents and transactions in connection therewith;

13           WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule  
14 15c2-12”) requires that, in order to be able to purchase or sell the Series A Certificates, an  
15 underwriter must have reasonably determined that an obligated person has undertaken in a written  
16 agreement or contract for the benefit of the holders of the Series A Certificates to provide disclosure  
17 of certain financial information and certain material events on an ongoing basis and, in order to cause  
18 such requirement to be satisfied, the County proposes to execute and deliver a Continuing Disclosure  
19 Agreement (the “Continuing Disclosure Certificate”) in connection with the execution and delivery of  
20 the Series A Certificates; and

21           WHEREAS, the County is authorized to undertake all of the above pursuant to the laws of  
22 the State of California.

23           NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby  
24 resolve, determine and order as follows:

25           Section 1. The proposed form of Site and Facilities Lease (Capital Improvement Projects  
26 2006 Series A) (the “Site and Facilities Lease”), by and between the County and the Corporation and  
27 in substantially the form on file with the Clerk of the Board, is hereby approved. The County  
28 Executive Officer and any other authorized officers of the County acting on behalf of the County

1 Executive Officer (each an "Authorized Representative" and, collectively, the "Authorized  
2 Representatives") are, and each of them acting alone is, hereby authorized and directed, for and in the  
3 name of and on behalf of the County, to execute and deliver the Site and Facilities Lease in  
4 substantially the form on file with the Clerk of the Board, with such changes therein as such  
5 Authorized Representative executing and delivering such document may require or approve, such  
6 requirement or approval to be conclusively evidenced by the execution and delivery thereof.

7 Section 2. The proposed form of Sublease and Option to Purchase (Capital Improvement  
8 Projects 2006 Series A) (the "Sublease and Option to Purchase"), by and between the County and the  
9 Corporation and in substantially the form on file with the Clerk of the Board, is hereby approved.  
10 The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed,  
11 for and in the name of and on behalf of the County, to execute and deliver the Sublease and Option to  
12 Purchase substantially the form on file with the Clerk of the Board, with such changes therein as the  
13 Authorized Representative executing and delivering such document may require or approve, such  
14 requirement or approval to be conclusively evidenced by the execution and delivery thereof.

15 Section 3. The proposed form of Trust Agreement (Capital Improvement Projects 2006  
16 Series A) (the "Trust Agreement"), by and among the County, the Corporation and the Trustee and in  
17 substantially the form on file with the Clerk of the Board, is hereby approved. The Authorized  
18 Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the  
19 name of and on behalf of the County, to execute and deliver the Trust Agreement in substantially the  
20 form on file with the Clerk of the Board, with such changes therein as such Authorized  
21 Representative executing and delivering such document may require or approve, such requirement or  
22 approval to be conclusively evidenced by the execution and delivery thereof.

23 Section 4. The proposed form of Continuing Disclosure Certificate, in substantially the  
24 form on file with the Clerk of the Board, is hereby approved. The Authorized Representatives are,  
25 and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf  
26 of the County, to execute and deliver the Continuing Disclosure Certificate in substantially the form  
27 on file with the Clerk of the Board and presented to and considered at this meeting, with such changes  
28 therein as the officer executing the same on behalf of the County may approve, in his or her  
discretion, as being in the best interest of the County, such approval to be conclusively evidenced by  
such officer's execution and delivery thereof.

1           Section 5. The proposed form of Purchase Contract (the "Purchase Contract"), by and  
2 between the County and Citigroup Global Markets Inc., as representative of itself and E. J. De La  
3 Rosa & Co., Inc. (the "Underwriters"), and in substantially the form on file with the Clerk of the  
4 Board, is hereby approved. The Authorized Representatives are, and each of them acting alone is,  
5 hereby authorized and directed to negotiate the final terms and conditions of, and to execute and  
6 deliver to the Underwriters, the Purchase Contract, in substantially the form on file with the Clerk of  
7 the Board with such changes as the officer executing and delivering such document may require or  
8 approve, such requirement or approval to be conclusively evidenced by the execution and delivery  
9 thereof. In connection with the negotiation, execution and delivery of the Purchase Contract, the  
10 Authorized Representatives are further authorized and directed to negotiate the price, interest rates,  
11 discount provisions, dates, maturity dates, principal amounts and prepayment provisions with respect  
12 to the Series A Certificates, and are authorized to negotiate any and all other terms and agreements  
13 relating to the issuance of the Series A Certificates, as an Authorized Representative shall determine  
14 to be in the best interests of the County, all to be conclusively evidenced by the execution and  
15 delivery of the Purchase Contract; provided, however, that the interest rate with respect to the Series  
16 A Certificates shall not exceed six percent (6%) per annum and provided further that the maximum  
17 aggregate underwriter's discount (excluding original issue discount, if any) from the principal amount  
18 of the Series A Certificates shall not exceed six-tenths percent (0.6%) of the aggregate principal  
19 amount of the Series A Certificates. All other terms and conditions shall be consistent with and shall  
20 carry out the intention of this Board's approval, as set forth herein.

21           All or any portion of the Series A Certificates may be sold with such credit enhancement  
22 (such as, but not limited to, a letter of credit or policy of municipal bond insurance) as an Authorized  
23 Representative shall determine to be in the best interests of the County, such determination to be  
24 conclusively evidenced by the execution and delivery on behalf of the County of any documents  
25 required to be executed and delivered by or on behalf of the County relating to such credit  
26 enhancement. The Authorized Representatives are hereby further authorized to purchase a surety  
27 bond, letter or line of credit, or other form of guarantee to satisfy the Reserve Requirement  
28 established under the Trust Agreement and to execute one or more financial guaranty agreements or  
other documents relating to such guarantee. The Authorized Representatives are, and each of them is,  
hereby authorized and directed to enter into negotiations with potential providers of such credit

1 enhancements or guarantees and further authorized and directed to enter into such agreements on  
2 behalf of the County as may be necessary or advisable in connection with the foregoing arrangements.

3         Section 6. The County hereby approves the execution and delivery of the Series A  
4 Certificates by the Trustee in an amount not to exceed \$50,000,000 and the sale of the Series A  
5 Certificates pursuant to the Purchase Contract.

6         Section 7. The proposed form of preliminary official statement with respect to the Series A  
7 Certificates (the "Preliminary Official Statement"), attached hereto as Exhibit A, is hereby approved.  
8 The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed,  
9 for and in the name of and on behalf of the County, to execute and deliver the official statement with  
10 respect to the Series A Certificates (the "Official Statement"), in substantially the form of the  
11 Preliminary Official Statement attached hereto as Exhibit A, with such changes thereto as such  
12 Authorized Representative executing and delivering such document may require or approve, such  
13 requirement or approval to be conclusively evidenced by the execution and delivery thereof. The  
14 distribution of copies of the Preliminary Official Statement and Official Statement to persons who  
15 may be interested in the purchase of Series A Certificates is hereby authorized and approved. The  
16 Authorized Representatives are, and each of them acting alone is, hereby authorized to certify to the  
17 Underwriters on behalf of the County that the Preliminary Official Statement is deemed final as of its  
18 date, within the meaning of Rule 15c2-12 (except for the omission of certain information as permitted  
19 by such Rule).

20         Section 8. All actions heretofore taken by any officer of the County with respect to the  
21 issuance and sale of the Series A Certificates or in connection with or related to any of the agreements  
22 referred to herein, to the leasing or subleasing of the Leased Premises or to the financing of the  
23 Projects are hereby approved, confirmed and ratified.

24         Section 9. The Authorized Representatives are, and each of them acting alone is, authorized  
25 and directed to take any and all such actions, and to execute any and all such documents as may be  
26 necessary or desirable to effectuate the purposes of this Resolution.

27         Section 10. The County Clerk shall certify to the passage of this Resolution, shall transmit a  
28 copy hereof to the Corporation, and shall cause the action of the Board of Supervisors in adopting the  
same to be entered in the official minutes of this Board of Supervisors.

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**PASSED and ADOPTED** by the Board of Supervisors of the County of Riverside on the  
\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Chairman of the Board of Supervisors

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

FORM APPROVED  
COUNTY COUNSEL

MAR 1 2006

BY *[Signature]*