

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

604



**FROM:** COUNTY EXECUTIVE OFFICE

**SUBMITTAL DATE:**  
July 11, 2006

**SUBJECT:** Ordinance No. 862 An Ordinance of the County of Riverside Dissolving Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside.

**RECOMMENDED MOTION:** That the Board of Supervisors of the County of Riverside, introduce Ordinance No. 862 Dissolving Community Facilities District No. 04-1 (Majestic Freeway Business Center), and subsequently adopt said Ordinance at the next board meeting, which in this case will be July 25, 2006.

**BACKGROUND:** On November 29, 2005, the Board of Supervisors held a public hearing to consider the establishment of Community Facilities District No. 2004-1 of the County of Riverside ("CFD 04-1"), and calling for a special election for December 13, 2005. At the close of the public hearing, the Board adopted Resolution No. 2005-491 authorizing the formation of CFD 04-1 and setting the election. The Board functioning *ex officio* as the Legislative Body of the CFD also adopted Resolution No. CFD 2005-25, determining the necessity to incur bonded indebtedness in the maximum principal amount of \$11,500,000 to pay, prepay or defease CFD No. 88-8 Bonds.

Majestic Oakwood, LLC, a Delaware limited liability company ("Majestic"), being the sole owner of all property within CFD No. 04-1, has elected to prepay and permanently satisfy the special tax obligation owed by its property toward the CFD No. 88-8 Bonds with cash rather than issue new debt under CFD 04-1, and has asked that CFD 04-1 be dissolved in its entirety.

The attached Ordinance accomplishes that request and has been reviewed and approved as to form by County Counsel.

Jerry Norris, Principal Management Analyst

<b>FINANCIAL DATA</b>	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:	2006

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

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

**County Executive Office Signature**

- Policy
- Policy
- Consent
- Consent

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

FORM APPROVED  
COUNTY COUNSEL

JUN 30 2006

Departmental Concurrence

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**COUNTY OF RIVERSIDE**

**ORDINANCE NO. 862**

**ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA REPEALING ORDINANCE NO. 851 AND DISSOLVING COMMUNITY FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS CENTER) OF THE COUNTY OF RIVERSIDE**

**WHEREAS**, the Board of Supervisors (the "Board of Supervisors") of the County of Riverside ("County") on October 25, 2005, duly adopted Resolution No. 2005-464 declaring its intention to establish Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside ("CFD No. 04-1"), and to levy special taxes to pay the principal on and interest of the bonds of CFD No. 04-1 issued to pay, repay or defease a portion of the outstanding bonds of Community Facilities District No. 88-8 of the County of Riverside ("A" Street – North) ("CFD No. 88-8" and the "CFD No. 88-8 Bonds," respectively), to issue bonds secured by a special tax for such purposes, under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982" (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Code"), and calling a public hearing on the question of the establishment of such CFD No. 04- 1; and

**WHEREAS**, notices were published and mailed as required by law relative to the intention of the Board of Supervisors to form the proposed CFD No. 04-1, including the territory referenced in Resolution No. 2005-464, to levy a special tax and to incur bonded indebtedness; and

**WHEREAS**, on October 25, 2005, the Board of Supervisors also adopted Resolution No. 2005-465 stating its intention to incur bonded indebtedness in an amount not to exceed \$11,500,000 within proposed Community Facilities District No. 04-1 to pay its portion of the amounts necessary to pay, prepay or defease CFD No. 88-8 Bonds; and

**WHEREAS**, pursuant to Resolution Nos. 2005-464, a public hearing has been duly convened and held on November 29, 2005 in connection with the formation of CFD No. 04-1, at which hearing the Board of Supervisors considered the establishment of CFD No. 04-1, the proposed rate and method of apportionment of special tax, the necessity for incurring bonded indebtedness, the proposed appropriations limit therefor, and all other matters as set forth in Resolution Nos. 2005-464 and 2006-465, and at the above-mentioned public hearing, all persons interested, including all taxpayers, property

1 owners and registered voters within CFD No. 04-1, were given an opportunity to appear and be heard, and  
2 the testimony of all interested persons or taxpayers for or against the establishment of CFD No. 04-1, the  
3 boundaries of CFD No. 04-1, the levy of the special tax, the payment or defeasance of a portion of the  
4 CFD No. 88-8 Bonds, the necessity to incur bonded indebtedness, the proposed appropriations limit, or  
5 any other matters set forth in said Resolution, were heard and considered and the Board of Supervisors at  
6 the conclusion of said hearing was fully advised in the premises, and was authorized to proceed; and

7           **WHEREAS**, following such public hearing, on November 29, 2005, the Board of  
8 Supervisors duly adopted Resolution No. 2005-491 establishing CFD No. 04-1 and the Rate and Method  
9 of Apportionment of Special Tax as set forth in Exhibit B to Resolution No. 2005-464 and on the same  
10 date the Board of Supervisors, acting ex officio as the legislative body of CFD No. 04-1 (the "Legislative  
11 Body") adopted Resolution No. CFD 2005-25 determining the necessity to incur bonded indebtedness  
12 (including incidental expenses as authorized by the Act) in an aggregate principal amount not to exceed  
13 \$11,500,000; and

14           **WHEREAS**, CFD No. 04-1 on the 13<sup>th</sup> of December, 2005, duly and legally held and  
15 conducted a special election, and the three propositions submitted to the qualified electors were approved  
16 by more than two-thirds of the votes cast; and

17           **WHEREAS**, the Board of Supervisors on January 10, 2006, adopted Ordinance No. 851  
18 authorizing the levy of the Special Tax within the boundaries of the CFD No. 04-1; and

19           **WHEREAS**, the Legislative Body, pursuant to the Act, caused a "Notice of Special Tax  
20 Lien" to be recorded July 3rd, 2006, as Instrument No. 2006-0483825; and

21           **WHEREAS**, Majestic Oakwood, LLC, a Delaware limited liability company ("Majestic"),  
22 being the sole owner of all property with CFD No. 04-1, has elected to prepay and permanently satisfy the  
23 special tax obligation owed by its property toward the CFD No. 88-8 Bonds and has caused irrevocable  
24 standby letters of credit and cash to be deposited into Escrow No. 25115269MA held by Stewart Title of  
25 California, Inc., Inland Empire Division (the "Escrow") to provide all funds necessary to prepay and  
26 permanently satisfy said special tax obligation on or July 17, 2006, which will allow for the refunding of  
27 the CFD No. 88-8 Bonds on July 20, 2006; and

28           **WHEREAS**, the Board of Supervisors is fully advised in the premises;

