

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

985 C



FROM: Redevelopment Agency

SUBMITTAL DATE:
March 23, 2007

SUBJECT: Issuance of Jurupa Valley Project Area 2007 Tax Allocation Refunding Bonds

RECOMMENDED MOTION: That the Board of Directors adopt Resolution No. RDA 2007-15 authorizing the issuance of refunding tax allocation bonds in an aggregate amount not to exceed \$97,000,000.

BACKGROUND: In 2001, the Agency issued tax allocation bonds for the Jurupa Valley Redevelopment Project Area. Given the current low interest rates, the Agency has an opportunity to save approximately 3.5% on the outstanding balance of the bonds by advance refunding of the bonds. In conjunction with the refunding, with the improved credit of the project area, the Agency can obtain a surety bond in lieu of providing a reserve fund which was required on the 2001 bonds. This will allow the Agency to obtain approximately \$7 million in additional bond proceeds to fund redevelopment projects. The bonds will be on a parity with the outstanding 1997, 2004, 2005, and 2006 bonds and will be insured with a triple A rating from Standard and Poors and Moody's.

(Continued on page 2)

FORM APPROVED
COUNTY COUNSEL

MAR 27 2007
10:09 AM
Departmental Concurrence

RZ:DL:TE

Robin Zimpfer
Robin Zimpfer
Executive Director

S:\RDA\COM\RDA_ADM\Bond Issues\2007 JVPA Refunding\F11 and Resolutions\F11 for BOD 3-26-07.doc

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

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: yes

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**

County Executive Office Signature

Jennifer Bryant

- Consent
- Policy
- Consent
- Policy

Prev. Agn. Ref.: **District:** 2 **Agenda Number:**

BACKGROUND (continued):

The bonds will be purchased by the County's Public Financing Authority who will resell them through a negotiated sale with Citigroup and Stone and Youngberg as the underwriters. The underwriters were selected based on the competitive bid process that was completed for the 2006 bond issue and their demonstrated capacity to successfully market and sell the bonds at the most favorable rate and cost to the Agency. They have agreed to sell the refunding bonds for the same rate they proposed for the 2006 bonds.

As was done for the 2001 bonds, in order to receive the highest ratings, lowest interest rate and maximum coverage on the bonds, the Agency is seeking subordination of all statutory pass-through payments. Additionally, the Agency is seeking subordination from the County, County Service Areas, Riverside County Regional Parks and Open Space District and the Flood Control and Water Conservation District for all pass-through payments for all project areas including the negotiated pre-AB1290 pass-through payments. Subordination of their pass-through payments would mean that the taxing entities would agree that in the unforeseen circumstance that the Agency was unable to make the debt service payments on the bonds, the Agency would be able to borrow the pass-through payment amounts to make the debt service payments. Repayment of any borrowed funds would be senior to other Agency expenditures and debt. With the average coverage of 1.25 times or higher provided on the issuance, it is highly unlikely the entities would ever be affected by the subordination.

It is recommended that the Board adopt Resolution No. RDA 2007-15 so the Agency can proceed with selling the bonds

RESOLUTION NO. 2007-15

RESOLUTION OF THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$97,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS JURUPA VALLEY PROJECT AREA 2007 TAX ALLOCATION REFUNDING BONDS, APPROVING AND AUTHORIZING AND DIRECTING EXECUTION OF AN INDENTURE OF TRUST RELATING THERETO, AUTHORIZING THE SALE OF SUCH BONDS, APPROVING AN OFFICIAL STATEMENT, AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Redevelopment Agency for the County of Riverside (the "Agency") is authorized pursuant to the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the "Law") to issue its tax allocation bonds for the purpose of financing and refinancing redevelopment activities within and of benefit to its Jurupa Valley Project Area (the "Project Area"); and

WHEREAS, a Redevelopment Plan for the Jurupa Valley Project Area in the County of Riverside, California (the "Project Area") has been adopted in compliance with all requirements of the Law; and

WHEREAS, to finance and refinance redevelopment activities with respect to the Project Area, the Agency has heretofore borrowed money pursuant to a loan (the "1997 Loan") from the Riverside County Public Financing Authority (the "Authority") pursuant to a Loan Agreement in the original principal amount of \$25,540,000 with respect to the Project Area (as defined herein), dated as of September 1, 1997, and being by and between the Agency, the Authority and U.S. Trust Company of California, as succeeded by The Bank of New York Trust Company, N.A. (the "1997 Loan Agreement"); and

WHEREAS, to finance redevelopment activities with respect to the Project Area, the Agency has heretofore issued its Redevelopment Agency for the County of Riverside Jurupa Valley Project Area 2001 Tax Allocation Bonds in the aggregate principal amount of \$90,025,000 (the "2001 Bonds") and its Redevelopment Agency for the County of Riverside Jurupa Valley Redevelopment Project Area 2004 Tax Allocation Bonds, Series B in the aggregate principal amount of \$16,715,000 (the "2004 Bonds"); and

WHEREAS, for the purpose of providing funds to refinance the 1997 Loan Agreement in full and to finance additional redevelopment activities with respect to the Project Area, the Agency has heretofore issued its Redevelopment Agency for the County of Riverside Jurupa Valley Redevelopment Project Area 2005 Tax Allocation Bonds, Series B in the aggregate principal amount of \$60,220,000 (the "2005 Bonds"); and

WHEREAS, for the purpose of providing funds to finance additional redevelopment activities with respect to the Project Area, the Agency has heretofore issued its Redevelopment Agency for the County of Riverside Jurupa Valley Redevelopment Project Area 2006 Tax Allocation Bonds, Series B, in the aggregate principal amount of \$68,740,000 (the "2006 Bonds"); and

WHEREAS, for the purpose of providing funds to refund, in full or in part, the 2001 Bonds, and of providing funds to finance additional redevelopment activities with respect to the Project Area, the Agency has determined to authorize the issuance, pursuant to the Law, of its Redevelopment Agency for the County of Riverside Jurupa Valley Redevelopment Project Area 2007 Tax Allocation Refunding Bonds, in the aggregate principal amount of not to exceed \$97,000,000 (the "2007 Bonds"); and

WHEREAS, the 2007 Bonds will be payable from Tax Revenues (as hereinafter defined) on a parity with the 2001 Bonds (but only to the extent not refunded in full), the 2004 Bonds, the 2005 Bonds and the 2006 Bonds; and

WHEREAS, the Agency proposes to sell the Bonds to the Riverside County Public Financing Authority (the "Authority") which will concurrently sell the Bonds to Citigroup Global Markets, Inc. and Stone & Youngberg LLC, as underwriters (collectively, the "Underwriter"), all on the terms and conditions herein set forth and as provided in the form of a Purchase Contract (the "Purchase Contract") on file with the Secretary; and

WHEREAS, the Agency has caused to be prepared an Official Statement describing the Bonds, the preliminary form of which is on file with the Secretary (the "Official Statement"); and

WHEREAS, the Agency, with the aid of its staff, has reviewed the Indenture, the Purchase Contract and the Official Statement, and the Agency wishes at this time to approve the foregoing in the public interests of the Agency;

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency for the County of Riverside, as follows:

Section 1. Issuance of Bonds; Approval of Indenture. The Agency hereby authorizes the issuance of the Bonds under and pursuant to the Law and the Indenture, in the aggregate principal amount of not to exceed \$97,000,000. The Agency hereby approves the Indenture in substantially the form thereof on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Designated Officers (as hereinafter defined), upon advice of the Agency's bond counsel, including, without limitation, the addition to the Indenture of the final interest rates payable with respect to the Bonds and the final principal amount and annual maturities of the Bonds, as contained in the Purchase Contract hereinafter approved, and any insertion or other revision required by the provider of any municipal bond insurance policy and any reserve account credit instrument. Execution of the Indenture shall be deemed conclusive evidence of the Agency's approval of such additions or changes. The Executive Director, the Managing Director, the Assistant Director, the Deputy Executive Director and the Finance Director of the Agency (each, a "Designated Officer"), each acting alone, are hereby authorized and directed to execute, and the Secretary of the Agency is hereby authorized and directed to attest and affix the seal of the Agency to, the Indenture for and in the name and on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Indenture.

Section 2. Sale of Bonds. The Agency hereby authorizes the sale of the Bonds to the Authority for concurrent resale by the Authority to the Underwriter pursuant to and in accordance with the Purchase Contract in substantially the form on file with the Secretary, together with any additions thereto or changes therein approved, upon the advice of C.M. de Crinis & Co., the Agency's financial advisor (the "Financial Advisor"), by a Designated Officer, whose execution thereof shall be conclusive evidence of such approval. The Agency hereby

delegates to the Designated Officers the authority to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the Purchase Contract for and in the name and on behalf of the Agency; provided, however, that the true interest cost with respect to the Bonds shall not exceed five percent (5.00%) per annum, and the Underwriter's discount in connection with the Underwriter's purchase of the Bonds shall not exceed one-half of one percent (0.5%) of the par amount thereof, excluding any original issue discount on the Bonds, and, provided further, that the issuance of the Bonds and the refunding of the 2001 Bonds shall result in net debt service savings of at least 3% on a present value basis.

Section 3. Municipal Bond Insurance. The Designated Officers, each acting alone, are hereby authorized and directed to obtain a municipal bond insurance policy for the Bonds if it is determined, upon consultation with the Underwriter and the Financial Advisor, that such municipal bond insurance policy will reduce the true interest costs with respect to the Bonds.

Section 4. Official Statement. The Agency hereby approves the preliminary Official Statement describing the Bonds, in substantially the form on file with the Secretary, together with any changes therein or additions thereto necessary or convenient to cause the preliminary Official Statement to describe accurately matters pertaining to the Bonds, and the Designated Officers are authorized and directed on behalf of the Agency to review the final form of preliminary Official Statement and to deem the preliminary Official Statement "near final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, prior to its distribution by the Underwriter. The Underwriter is hereby authorized to distribute the "near final" preliminary Official Statement in connection with the marketing of the Bonds. The Designated Officers are hereby authorized and directed to approve any changes in or additions to the final form of such Official Statement as the Designated Officers, upon the advice of the Agency's disclosure counsel, shall deem necessary or advisable to cause the final Official Statement to describe accurately the Bonds and matters contained in the Purchase Contract, the Indenture and the related proceedings and actions, to execute and deliver said final Official Statement for and in the name and on behalf of the Agency and to execute and deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

Section 5. Subordination Agreements. The Designated Officers, each acting alone, are also authorized to execute, and the Secretary is authorized to attest, subordination agreements with the County of Riverside and other taxing entities within the County pursuant to which such taxing entities subordinate their right to receive tax increment to the payment of debt service on the Bonds, the 2001 Bonds (to the extent not refunded in full), and the 2004 Bonds, the 2005 Bonds and the 2006 Bonds.

Section 6. Official Action. All actions heretofore taken by the officers and agents of the Agency with respect to the issuance of the Bonds are hereby approved, confirmed and ratified. The Designated Officers and the Secretary of the Agency and any and all other officers of the Agency are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all document revisions, assignments, certificates, requisitions (including, but not limited to, requisitions for payment of costs of issuance of the Bonds), agreements (including, but not limited to, agreements in customary form providing for investment of the proceeds of the Bonds, as further provided in the Indenture), notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the Bonds to the Authority and the Underwriter pursuant to the documents approved herein and to obtain municipal bond insurance and a reserve account credit instrument with respect to the Bonds.

Whenever in this Resolution any officer of the Agency is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 6. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

The foregoing resolution was passed and adopted by the Redevelopment Agency for the County of Riverside at a regular meeting held on the 3rd day of April, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

(S E A L)

Attest:

By: _____
Secretary

FORM APPROVED
COUNTY COUNSEL

MAR 27 2007

BY

Deborah