

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

985-cc



FROM: Redevelopment Agency

SUBMITTAL DATE:
March 26, 2007

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

RECOMMENDED MOTION: That the Board of Directors adopt Resolution No. PFA 2007-01 authorizing the issuance of Tax Allocation Refunding Bonds in an amount not to exceed \$97,000,000.

BACKGROUND: In 2001, the Redevelopment 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 also 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)

Departmental Concurrence

FORM APPROVED
COUNTY COUNSEL

MAR 27 2007

RZ:DL:TE:RD

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Robin Zimpler
Robin Zimpler, Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	na
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	na
	Annual Net County Cost:	\$ 0	For Fiscal Year:	na

SOURCE OF FUNDS: Future debt service will be paid for with Redevelopment 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

James H. Bryne

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

Prev. Agn. Ref.:

District: 2

Agenda Number:

5.1

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. PFA 2007-01 so the Agency can proceed with selling the bonds.

RESOLUTION NO. 2007-01

**RESOLUTION OF THE RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY AUTHORIZING THE PURCHASE AND SALE OF NOT TO
EXCEED \$97,000,000 PRINCIPAL AMOUNT OF REDEVELOPMENT
AGENCY FOR THE COUNTY OF RIVERSIDE JURUPA VALLEY
PROJECT AREA 2007 TAX ALLOCATION REFUNDING BONDS, UPON
CERTAIN TERMS AND CONDITIONS, APPROVING DISTRIBUTION OF
OFFICIAL STATEMENT RELATING THERETO, AND PROVIDING
OTHER MATTERS PROPERLY RELATING THERETO**

WHEREAS, the County of Riverside (the "County"), and the Redevelopment Agency for the County of Riverside ("the Agency") have entered into a Joint Exercise of Powers Agreement, dated as of March 20, 1990 (the "Agreement"), creating the Riverside County Public Financing Authority (the "Authority");

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Agreement, the Authority is authorized to purchase bonds issued by the Agency for financing and refinancing public capital improvements;

WHEREAS, pursuant to the Act and the Agreement the Authority is further authorized to sell bonds so purchased to public or private purchasers at public or negotiated sale;

WHEREAS, the Authority desires to purchase from the Agency not to exceed \$97,000,000 aggregate principal amount of Redevelopment Agency for the County of Riverside Jurupa Valley Project Area 2007 Tax Allocation Refunding Bonds (the "Bonds"), solely from the proceeds received from the Authority's concurrent sale of the Bonds to Citigroup Global Markets, Inc. and Stone & Youngberg LLC (collectively, the "Underwriter"); and

WHEREAS, the Agency has caused an Official Statement relating to the Bonds (the "Official Statement") to be submitted to the Authority for approval for distribution to purchasers of the Bonds;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Riverside County Public Financing Authority, as follows:

Section 1. Sale of Bonds. The proposed form of bond purchase agreement (the "Purchase Contract"), by and among the Agency, the Authority and the Underwriter on file with the Secretary of the Authority is hereby approved. Either the Chairman, the Vice Chairman, the Executive Director, the Assistant Executive Director or any Secretary or Assistant Secretary of the Authority (each, a "Designated Officer") is hereby authorized and directed, for and in the name and on behalf of the Authority, to accept the offer to purchase the Bonds from the Agency for concurrent resale to the Underwriter, and to accept the offer of the Underwriter to purchase the Bonds from the Authority, subject to the terms and conditions of the Purchase Contract, and to execute and deliver the Purchase Contract to the Agency and the Underwriter; 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. Approval of any additions or changes in such form shall be conclusively evidenced by such execution and delivery of the Purchase Contract.

Section 2. Official Statement. The Official Statement relating to the Bonds, together with such amendments and supplements as shall be necessary or convenient to accurately describe the Bonds in accordance with the Purchase Contract, this Resolution and the other related proceedings and documents, is hereby approved for distribution to the purchasers of the Bonds.

Section 3. Official Action. The Designated Officers and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, 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 and delivery of the Bonds to the Authority for resale and delivery to the Underwriter pursuant to the Purchase Contract approved herein.

Section 4. 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 Board of Directors of the Riverside County Public Financing Authority 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 Doergelich