

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

217



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
April 2, 2007

**SUBJECT:** Proposed California Enterprise Development Authority Associate Membership Agreement

**RECOMMENDED MOTION:** That the Board of Supervisors adopt Resolution Number 2007-187 approving associate membership of the County of Riverside in the California Enterprise Development Authority and authorize execution of an Associate Membership Agreement.

**BACKGROUND:** The California Enterprise Development Authority (CEDA) is a joint powers authority (JPA) whose purpose is to issue tax-exempt and taxable conduit revenue bonds to fund industrial and commercial development projects within member jurisdictions. Federal and state laws provide the ability for cities and counties to join together under cooperative agreements to form joint powers authorities to issue tax-exempt and taxable bonds to fund projects that provide a public benefit and serve the needs of residents within the jurisdictions of the participating members. All cities and counties in California have the ability to act as an issuer of conduit revenue bonds, but many jurisdictions utilize joint powers authorities primarily for economies of scale, to access specialized transaction knowledge and resources, and to avoid using valuable local staff time on these types of transactions.

(Continued on page 2)

*Robin Zimpfer*

Robin Zimpfer  
Assistant County Executive Officer/EDA

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and reso 2007-xx.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:	N/A
Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30   
Requires 4/5 Vote

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

County Executive Office Signature

*Janet Sawyer*

- Policy
- Policy
- Consent
- Consent

Prev. Agn. Ref.: N/A

District: All

Agenda Number:

**3.18**

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

FORM APPROVED COUNTY COUNSEL

APR 9 2007

**BACKGROUND:** (Continued from page 1)

CEDA is a joint powers authority consisting of the cities of Selma, Lancaster and Eureka, and its activities are dedicated to providing economic development assistance to member jurisdictions as an extension of the economic development assistance provided by the California Association for Local Economic Development (CALED) to its members. The County of Riverside is a member of CALED.

The JPA Agreement permits any other local agency in California to join CEDA as an "Associate Member." CEDA's Board of Directors has requested that the County of Riverside become an Associate Member of CEDA. Other Associate Members include the cities of Upland and Pittsburg and the counties of Stanislaus and Sacramento. Associate membership in CEDA will assist the County as well as for-profit and nonprofit organizations located within the County in financing industrial and commercial development projects and other public purpose projects within the County. CEDA's Associate Members enjoy nearly all the benefits of regular membership without the concomitant duties, liabilities or obligations. Associate Members have ample opportunity to provide input on proposed or existing programs. Further, Associate Members are not restricted or inhibited in any way with respect to their independent ability to finance any project in any manner they deem appropriate, which may or may not involve or include CEDA.

In addition, federal law requires a public hearing before the Board of Supervisors prior to any bond issuance by CEDA for projects under the County's jurisdiction. If the Board does not approve the project, CEDA cannot issue bonds.

The recommended action does not have any fiscal impact with respect to the County of Riverside. CEDA does not charge any fees for membership. Any bonds issued by CEDA are special, limited obligations only of CEDA, payable solely through the payment of principal and interest from the borrower. In most cases, CEDA secures its bonds with a letter of credit from a bank with a minimum rating of A/A-1 from Standard and Poor's or comparable minimum rating from another nationally recognized rating agency. Neither the faith or credit, nor the taxing power of the County, any member of CEDA, the state or any political subdivision is pledged to the repayment of the bonds.

The Authority will be financially self-sustaining, and the members will have no obligation for the Authority's expenses. The Authority's operating costs will be covered primarily by combination of bond issuance and program user fees. Further, the Agreement contains protective provisions ensuring that any excess funds be dedicated to the furtherance of economic development activities.

It is recommended that the Board of Supervisors adopt Resolution Number 2007-187 and approve the Associate Member Agreement.

**RESOLUTION NO. 2007-187**

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP IN THE CALIFORNIA  
ENTERPRISE DEVELOPMENT AUTHORITY AND AUTHORIZING AND  
DIRECTING  
EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING  
TO THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**WHEREAS**, the County of Riverside, California (the "County") a political subdivision, duly organized and existing under the Constitution and the laws of the State of California; and

**WHEREAS**, the County, upon authorization of the Board of Supervisors, may pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 (the "JPA Law") enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them; and

**WHEREAS**, the County and other public agencies wish to jointly participate in economic development financing programs for the benefit of businesses and nonprofit entities within their jurisdictions offered by membership in the California Enterprise Development Authority (the "Authority") pursuant to the Associate Membership Agreement and Joint Exercise of Powers Agreement Relating to the California Enterprise Development Authority (the "Agreement"); and

**WHEREAS**, under California law and the Agreement, the Authority is a public entity separate and apart from the parties to the Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the County; and

**WHEREAS**, the form of Associate Membership Agreement (the "Associate Membership Agreement") between the County and the Authority is attached; and

**WHEREAS**, the County is willing to become an Associate Member of the Authority subject to the provisions of the Associate Membership Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that the Riverside County Board of Supervisors, hereby finds, determines and declares as follows:

**Section 1.** The Board of Supervisors hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the County, and that the statements, findings and determinations of the County set forth in the preambles above and of the documents approved herein are true and correct.

**Section 2.** The Associate Membership Agreement presented to this meeting and on file with the Clerk of the Board of Supervisors is hereby approved. The Chair of the Board, County Executive Officer, the Clerk of the Board and other officers or officials of the County are each hereby authorized and directed, for and on behalf of the County, to execute and deliver the

Associate Membership Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 3.** The officers and officials of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this resolution and the Associate Membership Agreement. All such actions heretofore taken by such officers and officials are hereby confirmed, ratified and approved.

**Section 4.** This resolution shall take effect immediately upon its passage.

**ADOPTED** by the Board of Supervisors of the County of Riverside at its regular meeting held on the \_\_ day of \_\_\_\_\_, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
Supervisor John Tavaglione, Chairman  
Board of Supervisors

ATTEST

\_\_\_\_\_  
Nancy Romero, Clerk of the Board of Supervisors

FORM APPROVED  
COUNTY COUNSEL

APR 9 2007  
BY 