



SUBMITTAL TO THE BOARD OF DIRECTORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



232

FROM: Regional Park & Open-Space District

SUBMITTAL DATE:  
4/2/07

SUBJECT: Subordination Agreement between the Redevelopment Agency for the County of Riverside, the County of Riverside, and the Regional Park and Open Space District

RECOMMENDED MOTION: That the Board approve and authorize the chairman to execute the Subordination Agreement between the Redevelopment Agency (Agency), the County of Riverside and the Regional Park and Open Space District.

BACKGROUND: In 2001, the Agency issued approximately \$90 million in 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 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 in the project area. The bonds will also be insured with a triple A rating from Standard and Poors and Moody's.  
(continued on page 2)

Departmental Concurrence

569-Subordination Agreement between Redevelopment Agency, County of Riverside, & RPOSD

*Paul Frandsen*

Paul Frandsen, General Manager

APR 05 2007

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	NA
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	NA

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

*Alex Gann*

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

APR 11 11 11 AM '07  
CLERK / BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, CALIF.

Prev. Agn. Ref.:

District: All

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

13.2

**SUBJECT:** Subordination Agreement between the Redevelopment Agency for the County of Riverside, the County of Riverside, and the Regional Park & Open Space District

The bonds will be on parity with the outstanding 1997, 2004, 2005, and 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 the Districts pass through payments received for the Jurupa Valley Redevelopment Project Area. Subordination of the pass through payments would mean that the District agrees 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 that the entities would ever be affected by the subordination.

County Counsel has reviewed and approved the attached Subordination Agreement as to form. It is recommended that the Board approve the subordination agreement as proposed.