

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

443



FROM: County Executive Office

SUBMITTAL DATE:
July 3, 2007


SUBJECT: Reimbursement Resolution relating to the Tobacco Settlement Asset-Backed Bonds

RECOMMENDED MOTION: That Resolution No. 2007-340 declaring the County's intent to reimburse prior expenditures with proceeds of indebtedness be approved.

BACKGROUND: On May 21, 2007, the Board of Supervisors directed the Executive Office to securitize the County's tobacco settlement revenues to finance the construction of the first phase of a new 1600 bed jail. As part of that effort staff recommends that the Board approve Resolution No. 2007-340 declaring its intent to reimburse itself from the proceeds of the Tobacco Settlement Asset-Backed Bonds for capital project costs paid from the General Fund.


Federal Treasury Regulations require that an authority issuing tax-exempt bonds for capital projects have an expectation that the bond proceeds will be expended within three to five years from the date of bond issuance. Because the new jail will not be completed within that time frame, and to remain in compliance with Treasury Regulations, it is being recommended that any capital expenditures made from the General Fund be reimbursed from the Tobacco Settlement Asset-Backed Bond proceeds and the reimbursed funds be deposited into a designated fund to offset the cost of the first phase of the new 1600 bed jail.

Approval of Reimbursement Resolution No. 2007-340 meets the federal Treasury Regulation requirements allowing the County to be reimbursed by bond proceeds when the securitization is completed.


Dean Deines
Deputy County Executive Officer

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

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
BY: 
Kenneth M. Mohr
County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

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

FORM APPROVED COUNTY COUNSEL

JUN 26 2007

Departmental Concurrence:

BY: 
CATHERINE A. LIND

2 **RESOLUTION NO. 2007-340**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE**
4 **COUNTY OF RIVERSIDE DECLARING ITS INTENT TO**
5 **REIMBURSE PRIOR EXPENDITURES WITH PROCEEDS OF**
6 **INDEBTEDNESS**

7 **WHEREAS**, the County of Riverside, California (the "County") intends to design, acquire,
8 construct, improve, renovate and equip certain County facilities as identified on the attached Exhibit A
(collectively, the "Project");

9 **WHEREAS**, in connection with the Project, the County anticipates the issuance of indebtedness
10 for the purpose of financing costs associated with the Project on a long-term basis;

11 **WHEREAS**, the County expects to pay certain expenditures (the "Reimbursement Expenditures")
12 in connection with the Project prior to the issuance of such indebtedness;

13 **WHEREAS**, the County reasonably expects that debt obligations in an amount not expected to
14 exceed \$400,000,000 will be issued and that certain of the proceeds of such debt obligations will be used
15 to reimburse the Reimbursement Expenditures;

16 **WHEREAS**, proceeds of such debt obligations will be allocated to Reimbursement Expenditures
17 no later than 18 months after the later of (a) the date the cost is paid, or (b) the date the project is placed in
18 service or abandoned (but in no event more than three years after the cost is paid); and

19 **WHEREAS**, Section 1.150-2 of the Treasury Regulations requires the County to declare its
20 reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent
21 borrowing;

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1 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
2 **RIVERSIDE**, in regular session assembled on July 3, 2007, does hereby resolve, find, determine and
3 order as follows:

4 **Section 1.** The Board of Supervisors hereby specifically finds and declares that the statements,
5 findings and determinations of the County set forth above are true and correct.

6 **Section 2.** This declaration is made solely for purposes of establishing compliance with the
7 requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the County
8 to make any expenditure, incur any indebtedness, or proceed with the Project.

9 **Section 3.** The County hereby declares its official intent to use proceeds of indebtedness to
10 reimburse itself for Reimbursement Expenditures.

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

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13 **ADOPTED, SIGNED AND APPROVED** this ___ day of _____, 2007, by the Board of
14 Supervisors of the County of Riverside.

17 _____
Chairman of the Board of Supervisors

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19 **ATTEST:**
Nancy Romero
20 Clerk to the Board of Supervisors

21 By: _____
22 Deputy

26 FORM APPROVED COUNTY COUNSEL

27 JUN 26 2007

28 BY Kath A. Hill

EXHIBIT A

Reimbursement Resolution No. 2007-340

List of Facilities Eligible for Reimbursement from Bond Proceeds

	Description
1	Desert Hot Springs Land Acquisition
2	Whitewater Land Acquisition
3	Monroe Building Acquisition
4	Smith Correctional Facility Expansion
5	Downtown Law Building
6	Cove Community Sheriff Station
7	Riverside Gas & Wash Facility
8	Riverside Animal Shelter
9	San Jacinto Animal Shelter
10	Riverside Transportation Yard
11	Rubidoux Fleet Services Facilities
12	Perris Land Acquisition
13	Public Safety Communications Project
14	Remodel Riverside County Administrative Center
15	Remodel Indio County Administrative Center
16	Hub Jail