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

FROM: Department of Facilities Management

SUBMITTAL DATE:
July 20, 2007

SUBJECT: Resolution No. 2007-380, Notice of Authorization to Purchase Real Property, Adopt the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring Plan, and Resolution No. 2007-384, Notice of Intention to Reimburse

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt the Initial Study/Mitigation Negative Declaration (IS/MND) and the Mitigation Monitoring Program (MMP) or Environmental Assessment No. 005CP, based on the findings incorporated in the Initial Study and the conclusion that the project will not have a significant effect on the environment.
2. Approve Resolution No. 2007-380, Authorization to Purchase Real Property in the City of Desert Hot Springs, Assessor's Parcel Number 656-040-039 for a total purchase price of \$7,200,000;

Robert Field, Director
Department of Facilities Management

RF:JKH:BP:cm
11.102

FORM APPROVED
COUNTY COUNSEL
JUL 23 2007

Reviewed by
GIP TEAM
E.M. HANS
Pamela Wainwright
Concurrence

FINANCIAL DATA	Current F.Y. Total Cost: FY 06/07	\$ 500,000	In Current Year Budget:	Yes
	FY 07/08	\$ 6,781,000		
	Current F.Y. Net County Cost:	\$ -0-	Budget Adjustment:	No
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	07/08

SOURCE OF FUNDS: CIP Fund 30700

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer Sargent

County Executive Office Signature

Consent
 Policy
 Consent
 Policy

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

RECOMMENDED MOTION: (Continued)

3. Approve Resolution No. 2007-384, A Resolution of the Board of Supervisors of the County of Riverside Declaring its Intent to Reimburse the County of Riverside for Expenditures on the Development of the Desert Hot Springs Property Obligations to be Issued by the County of Riverside and Directing Certain Actions;
4. Authorize, from Fund 30700, the expenditure of \$7,311,000 to purchase the property described in Resolution No. 2007-380; this includes up to \$21,000 closing costs, up to \$60,000 for due diligence (e.g. site evaluation, appraisal, preparation of negative declaration), and up to \$30,000 for Facilities Management's staff costs.

BACKGROUND:

On March 13, 2007, the Board of Supervisors approved Resolution No. 2007-079, the Notice of Intention to Purchase Real Property in the City of Desert Hot Springs, APN 656-040-039 and authorized the Director of Facilities Management to immediately secure the real property described in the resolution for 60 days release the initial purchase option of \$50,000 to the seller which will be considered non-refundable, but applicable to the purchase price.

Along with the initial purchase option deposit of the \$50,000 and the commencement of the due diligence period, the Board of Supervisors on April 10, 2007 approved Resolution 2007-188, the deposit to escrow of an additional purchase option refundable deposit of \$450,000 for a total deposit to escrow of \$500,000 or 6.7% of the purchase price to hold the site until September 7, 2007. The extended closing of escrow allowed the county enough time to complete it's due diligence evaluations and conduct the required environmental review pursuant to the California Environmental Quality Act (CEQA) In addition, pursuant to Section 21081.6 of the California Public Resources Code, a MMP was prepared to meet applicable statutes for implementing mitigation measures identified in the Initial Study to avoid or to mitigate identified potential impacts to a level where no significant impact on the environment would occur. The environmental documents were circulated through the State Clearinghouse for State agencies review and comment. On July 6, 2007, Facilities Management was notified by the Office of Planning and Research that the mandated 30-day public review period for Environmental Assessment No. 005CP and the proposed MND had closed.

Environmental Assessment No. 005CP, MND and MMP are included as an Attachment.

These Resolutions have been reviewed and approved by County Counsel as to legal form.

(cont'd)

Department of Facilities Management
Resolution No. 2007-380, Notice of Authorization to Purchase Real, Adopt the Initial
Study/Mitigated Negative Declaration and the Mitigation Monitoring Plan, and Resolution
No. 2007-384, Notice on Intention to Reimburse
July 20, 2007
Page 3

FINANCIAL DATA:

Resolution No. 2007-079 authorized the release of:	\$ 50,000
Resolution No. 2007-188 authorized the release of:	\$ 450,000
Resolution No. 2007-380 balance to close escrow:	<u>\$6,700,000</u>
Total Purchase Price	\$7,200,000

The CIP Fund budgeted for this acquisition, so no additional Net County Cost will be incurred as a result of this land purchase. All associated costs will occur in FY 07/08 unless otherwise noted.

Purchase Price:	
Deposit (made in FY 06/07)	\$ 500,000
Balance	\$6,700,000
Estimated Title and Escrow Fees:	\$ 21,000
Estimated DOFM Staff Expense:	\$ 30,000
Estimated Due Diligence Expense:	<u>\$ 60,000</u>
Estimated Total:	\$7,311,000

3 **RESOLUTION NO. 2007-380**
4 **NOTICE OF AUTHORIZATION TO PURCHASE REAL PROPERTY**
5 **IN THE CITY OF DESERT HOT SPRINGS, CALIFORNIA**
6 **APN: 656-040-039**

7 BE IT RESOLVED, DETERMINED AND ORDERED by the Board of
8 Supervisors of the County of Riverside, State of California, during its regular session
9 assembled on March 13, 2007, directed that notice be given, pursuant to Section
10 25350 of the Government Code, that this Board at its public meeting on July 31, 2007,
11 at 9:00am in the meeting room of the Board of Supervisors, located on the 1st floor of
12 the County Administrative Center, 4080 Lemon Street, Riverside, California, would
13 consider authorizing a transaction in which the County of Riverside would purchase
14 (from Farshid Zand, Abbas Kouhkan, Farhad Zand and Mariam Zand) certain real
15 property located at the northeast quadrant of Palm Drive and Park Land, in the City of
16 Desert Hot Springs, County of Riverside, State of California, identified by Riverside
17 County Assessor's Parcel Number 656-040-039, more particularly described in Exhibit
18 "A" attached hereto and thereby made a part hereof, consisting of one separate, legal
19 lot of 14.08 acres (the "Real Property") at a purchase price not to exceed seven
20 million, two hundred thousand dollars (\$7,200,000.00), plus miscellaneous escrow
21 closing costs in the approximate amount of twenty-one thousand dollars (\$21,000.00).

22 BE IT FURTHER RESOLVED AND DETERMINED that the Board of
23 Supervisors adopt the Initial Study/Mitigated Negative Declaration and the Mitigation
24 Monitoring Program for Environmental Assessment No. 005CP based on the findings
25 incorporated in the Initial Study and the conclusion that the project will not have a
significant effect on the environment.


1 BE IT FURTHER RESOLVED AND DETERMINED that after giving notice
2 pursuant to Government Code sections 25350 and 6063 and having received no
3 opposition to the purchase of the Real Property, the Director of Facilities Management
4 or his designee is authorized to purchase the Real Property for an amount not to
5 exceed seven million two hundred thousand dollars (\$7,200,000), plus miscellaneous
6 closing costs, not to exceed forty thousand dollars (\$40,000).

7 BE IT FURTHER RESOLVED AND DETERMINED that the Director of the
8 Department of Facilities Management, or his designee, is authorized to execute the
9 necessary documents to complete this purchase of the Real Property.

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18 FORM APPROVED
COUNTY COUNSEL

19 JUL 23 2007
20 BY 

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RESOLUTION No. 2007-384

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF RIVERSIDE DECLARING ITS INTENT
TO REIMBURSE THE COUNTY OF RIVERSIDE
FOR EXPENDITURES ON THE DEVELOPMENT OF
THE DESERT HOT SPRINGS PROPERTY
OBLIGATIONS TO BE ISSUED BY THE COUNTY
OF RIVERSIDE AND DIRECTING CERTAIN ACTIONS**

WHEREAS, the County of Riverside (the "County") proposes to undertake development services for the Desert Hot Springs Property (the "Property"), on behalf of the County of Riverside;

WHEREAS, the intent of the County is to issue (or cause a non-profit Public Benefit Corporation to issue) debt to finance the costs of the Facility on a permanent basis (the "Debt"), and to use a portion of the proceeds of such debt to reimburse expenditures made by the County for the development of the Facility prior to the issuance of the Debt;

WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance with Treasury Regulations United States Income Tax Regulations section 1.150-2, which generally provides that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt, unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure;

WHEREAS, the County expects to expend funds (other than funds derived from the issuance of bonds) on expenditures relating to the design of the Facility prior to the issuance of Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles; and the County reasonably expects to be reimbursed for such development cost expenditures with the proceeds of the Debt;

WHEREAS, at the time of the reimbursement, the County will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Debt

1 to the County, for the purpose of reimbursing the County for the development cost
2 expenditures made prior to the issuance of debt;

3 **WHEREAS**, the County reasonably expects to make the reimbursement
4 allocation no later than eighteen (18) months after the later of (i) the date on which the
5 earliest original expenditure for the Property is paid or (ii) the date on which such
6 Property is placed in service (or abandoned), but in no event later than three (3) years
7 after the date on which the earliest original expenditure for the Property is paid; and

8 **WHEREAS**, it is in the public interest and for the public benefit that the County
9 declares its official intent to reimburse the expenditures referenced herein.

10 **NOW, THEREFORE, BE IT RESOLVED**, by the County of Riverside Board of
11 Supervisors, as follows:

- 12 1. The County will undertake development services for the Desert Hot Springs
13 Property, on behalf of the County of Riverside.
- 14 2. The County hereby declares it's intent to reimburse itself for (i) costs
15 associated with the development of the Property prior to the date of
16 issuance of the Obligations and (ii) to use a portion of the proceeds of the
17 Obligations for reimbursement to the County for expenditures for the
18 Property that are paid before the date of issuance of the Obligations.
- 19 3. The County understands that, pursuant to United States Income Tax
20 Regulations section 1.150-2(d), in order for a reimbursement from
21 Obligations for the cost of a portion of the Property to be deemed spent for
22 federal income tax purposes, such reimbursement needs to occur no later
23 than 18 months after the later of (i) the date such expenditure was paid, or
24 (ii) the date the portion of the Property for which such expenditure was made
25 is placed in service, but in no event may any such expenditure being
reimbursed be made more than three (3) years after such expenditure was
paid.

BP:cm
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FORM APPROVED
COUNTY COUNSEL

JUL 23 2007

BY 