

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

796



FROM: Economic Development Agency

SUBMITTAL DATE:
July 19, 2007

SUBJECT: Loma Linda Healthcare Properties, LLC and Loma Linda University Medical Center

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing; and
2. Adopt Resolution Number 2007-379 approving the issuance of revenue bonds, notes or other debt (the "Bonds") by the California Enterprise Development Authority (the "Authority"), not to exceed \$55,000,000, for the benefit of Loma Linda Healthcare Properties, LLC, Loma Linda University Medical Center or a related entity (the "Borrower").

BACKGROUND: On April 17, 2007, the Board of Supervisors approved a Joint Exercise of Powers Agreement (the "Agreement") and, thereby, joined the Authority. The Authority is authorized to assist in the financing and refinancing of facilities. Pursuant to Section 147(f) of the Internal Revenue Code of 1986, the member agencies must conduct a public hearing and approve the Authority's issuance of debt for projects located in the member agency's jurisdiction.

(Continued on Page 2)

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Departmental Concurrence

Dale A. Garding

RZ:EL:TE:BC:RD:MN:AD
S:\FIN\COM\CA Enterprise Development Authority\Loma Linda\F11 public hearing.doc

Robin Zimpfer
Robin Zimpfer
Assistant County Executive Officer/EDA

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	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: *Jennifer L. Sargent*
County Executive Office Signature

Consent
 Policy
 Per Exec. Ofc.:
 Policy

Prev. Agn. Ref.: District: 3 & 5 **Agenda Number:**

9.11

BACKGROUND (continued): It is proposed that the Authority issue bonds to fund the rehabilitation and expansion of two of Borrower's properties located in the City of Beaumont and the community of Sun City. The bond proceeds will fund the acquisition of an approximately 8.13 acre parcel located near the southern end of the property at Highland Springs Avenue in the City of Beaumont (the "Beaumont Property"). On this property a 15,000 square foot ambulatory surgery center will be constructed, as well as, a 70,000 square foot medical office building. The bond proceeds will also finance the acquisition, rehabilitation and expansion of a 3.21 acre parcel of vacant land and a medical office building located at 27990 Sherman Road in Sun City, CA (the "Sun City Property"). Medical equipment will also be purchased and installed at the Beaumont Property and the Sun City Property.

Conduit revenue bonds are a special, limited obligation of the Authority payable solely through the Borrower's repayment of loan from the Authority which repayment is used to pay the principal and interest on the bonds. As such, any bonds issued by the Authority will not be a direct obligation of the Authority, the County or any member of the Authority. Neither the faith or credit, nor the taxing power of the County, any member of the Authority, the State or any political subdivision is pledged to the repayment of the Bonds.

It is recommended that the Board of Supervisors conduct a public hearing and adopt Resolution Number 2007-379 approving the issuance of the Bonds by the Authority.

RESOLUTION NO. 2007-379

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF NOT
TO EXCEED \$55,000,000 AGGREGATE PRINCIPAL AMOUNT OF
THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF
LOMA LINDA UNIVERSITY MEDICAL CENTER AND/OR A
RELATED ENTITY FOR THE PURPOSE OF FINANCING OR
REFINANCING THE COST OF THE ACQUISITION,
CONSTRUCTION, REHABILITATION, INSTALLATION AND
EQUIPPING OF CERTAIN PROPERTY, PROVIDING THE TERMS
AND CONDITIONS FOR SUCH BONDS AND OTHER MATTERS
RELATING THERETO HEREIN SPECIFIED**

WHEREAS, Loma Linda Healthcare Properties, LLC and Loma Linda University Medical Center (collectively, the "Applicant") have requested that the California Enterprise Development Authority (the "Authority") issue its tax-exempt and/or taxable revenue bonds in an aggregate principal amount not to exceed \$55,000,000 (the "Bonds") for the benefit of the Applicant and/or a related or successor entity (collectively, "the "Borrower"), pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State, (commencing with Section 6500) (the "Act") and to loan the proceeds of the Bonds to the Borrower to (1) finance (a) the acquisition of an approximately 8.13 acre parcel of real property located near the southern end of the property at Highland Springs Avenue near First Street in the city of Beaumont, California (the "Beaumont Property"), (b) the construction and equipping of a 15,000 square foot ambulatory surgery center on the Property and (c) the construction, installation and equipping of a three-story, approximately 70,000 square foot medical office building on the Beaumont Property; (2) finance the acquisition, rehabilitation and expansion of a medical office building and an adjacent 3.21 acre parcel of vacant land located at 27990 Sherman Road in Sun City, California (the "Sun City Property"), (3) the acquisition and installation of medical and related equipment at the Beaumont Property and the Sun City Property (collectively, the "Facilities"), (4) pay capitalized interest with respect to the financing, (5) fund a reserve fund, if necessary, with respect to the financing and (6) pay certain costs of issuance in connection with the financing (collectively, the "Project"); and

WHEREAS, the issuance of the Bonds by the Authority must be approved by the governmental unit on behalf of which the Bonds are issued and a governmental unit having jurisdiction over the territorial limits in which the Facilities are located pursuant to the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Facilities are located within the territorial limits of the County of Riverside (the "County") and the Board of Supervisors of the County (the "Board of Supervisors") is the elected legislative body of the County; and

WHEREAS, the Authority and the Borrower have requested that the Board of Supervisors approve the issuance of the Bonds by the Authority and the financing of the Project with the proceeds of the Bonds pursuant to Section 147(f) of the Code; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code; *provided, however*, that this Resolution is neither intended to nor shall it constitute an approval by the Board of Supervisors of the Project for any other purpose; and

WHEREAS, a public hearing was held by the Board of Supervisors on this 31st day of July,

2007, at the meeting which commenced at the hour of 9:00 a.m., in the Board Chambers at 4080 Lemon Street in Riverside, California 92501, following duly published notice thereof in a newspaper of general circulation in the County of Riverside, on July 11, 2007, and all persons desiring to be heard have been heard.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside as follows:

Section 1. The Board of Supervisors hereby approves the issuance of the Bonds, which Bonds may be tax-exempt or taxable as approved by the Authority in its resolution, in an amount not to exceed \$55,000,000 to finance the costs of the Project. This resolution shall constitute "host" approval of the issuance of the Bonds within the meaning of Section 147(f) of the Code and shall constitute the approval of the issuance of the Bonds within the meaning of the Act; provided, however, that this Resolution shall not constitute an approval by the Board of Supervisors of the Project for any other purposes, including compliance thereof with CEQA, nor does it constitute an approval of the underlying credit or financial structure of the Bonds.

Section 2. All actions heretofore taken by the officers, employees and agents of the County with respect to the approval of the Bonds are hereby approved, confirmed and ratified, and the officers and employees of the County and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 3. This Resolution shall take effect from and after its adoption.

ADOPTED by the Board of Supervisors of the County of Riverside at its regular meeting held on the 31st day of July, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Supervisor John Tavaglione, Chairman
Board of Supervisors

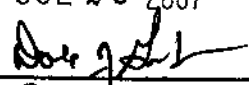
ATTEST

Nancy Romero, Clerk of the Board of Supervisors

FORM APPROVED
COUNTY COUNSEL

JUL 23 2007

BY



Dale A. Gardner