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

**FROM:** Paul McDonnell, Treasurer-Tax Collector

**SUBMITTAL DATE:**  
September 25, 2007

**SUBJECT:** March Joint Powers Redevelopment Agency Note, Series 2007

**RECOMMENDED MOTION:** That the Board of Supervisors approve the purchase of the March Joint Powers Redevelopment Agency ("March JPRA") Note, Series 2007 by the Treasurer-Tax Collector and the form of the Note documents.

**BACKGROUND:** March Joint Powers Redevelopment Agency ("March JPRA"), in its efforts to assist the March Joint Powers Authority ("the Authority"), is (1) refinancing its Series 2003 Note, which has an outstanding principal balance of \$835,000 (currently owned by the Treasurer's Pool); and (2) financing improvements in connection with the General Old Golf Course in the approximate amount of \$2,750,000 as well as financing the acquisition and construction of certain sewage capacity improvements in the approximate amount of \$5,000,000. The Authority has requested that the JPRA assist it in issuing a new note of the JPRA to the Treasurer's Pooled Investment Fund ("Pool"). In consideration of March JPRA's request, the Treasurer has determined that a new \$7,750,000 Note would be suitable for purchase by the Pool.

Departmental Concurrence

(Continued on page 2)

Paul McDonnell  
Treasurer-TaxCollector

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

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

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

APPROVE  
BY:   
Christopher M. Hans

County Executive Office Signature

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

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: \_\_\_\_\_

3.75

**BOARD OF SUPERVISORS**

**Form 11: March Joint Powers Redevelopment Agency Note, Series 2007**

**September 25, 2007**

**Page 2**

**BACKGROUND: (Continued)**

The Note will be secured by the assignment agreement of the net revenues of the General Old Golf Course, the Green Acres Housing Project, tax increment, and lease revenues. The structure of the Note will be similar to the Notes previously purchased from the March JPRA, the County of Riverside Asset Leasing Corporation (CORAL), and, the County Redevelopment Agency. The term of the new Note will be five years. The Notes will ultimately be repaid from the issuance of long term bonds anticipated within 12 to 24 months. The pledged revenues for FY 06-07 total approximately \$3.35 million and produce 8x coverage of projected debt service on the Notes and projected coverage of 7x on the takeout financing.

\_\_\_\_\_, 2007  
\$7,750,000  
MARCH JOINT POWERS REDEVELOPMENT AGENCY NOTE  
SERIES 2007

**IRREVOCABLE LETTER OF COMMITMENT TO PURCHASE**

March Joint Powers Redevelopment Agency  
Riverside, California

Ladies and Gentlemen:

The undersigned Treasurer-Tax Collector of the County of Riverside on behalf of the Riverside County Pooled Investment Fund (the "Treasurer"), hereby offers to provide this irrevocable letter of commitment of the Treasurer to purchase up to \$7,750,000 of a Note of the March Joint Powers Redevelopment Agency (the "Agency"), upon the terms and conditions hereinafter set forth. This offer is made subject to the Agency's written acceptance hereof on or before 5:00 p.m., Riverside time, on the date hereof, and if not so accepted, will be subject to withdrawal by the Treasurer upon notice delivered to the Agency at any time prior to the acceptance hereof by the Agency.

1. **Purchase and Sale of the Note.** Upon the terms and conditions set forth herein, the Treasurer hereby agrees to purchase from the Agency, and the Agency hereby agrees to sell and deliver to the Treasurer up to \$7,750,000 in aggregate principal amount of the Agency's Note, Series 2007 (the "Note").

The aggregate purchase price to be paid by the Treasurer for said Note shall be the aggregate par value thereof.

2. **The Note.** The Note shall be as described in and shall be issued and secured pursuant to a resolution of the Agency entitled "Resolution of the Board of Directors of the March Joint Powers Redevelopment Agency Providing for the Issuance of its Note in an Amount of Not to Exceed \$7,750,000 Upon Certain Terms and Conditions and Approving a Revenue Assignment Agreement and a Pledge of Agency Tax Increment" (the "Note Resolution") adopted on September 19, 2007 by the Agency Board. The Note will be payable as provided in the Note Resolution.

The Note will be issued in the aggregate principal amount of up to \$7,750,000 and will be issued in registered form and may be in the form of one or more notes, in such denominations as may be designated by the Treasurer. The Note will be dated its date of original delivery, and will mature and bear interest as provided in the Note Resolution. The Note may be prepaid in whole or in part at any time without penalty.

The Note may be issued as a single note upon which advances (each, an "Advance") may be made by the Treasurer upon his receipt from the Agency, of a disbursement request except for the first advance in the amount of \$10,000, which shall be applied to pay the cost of issuing the Note. Each such Advance shall be in a minimum amount of \$100,000 (except

for the final Advance which may be in a lesser amount if an amount less than \$100,000 remains to be advanced), shall be in the amount of the disbursement request and shall be made the next working day following receipt of the disbursement request if received by 2:00 p.m. and otherwise the next working day. In the event such advances are made, interest on the Note shall accrue upon each such Advance from the date hereof. The date and amount of each such Advance shall be noted on the Note by the Treasurer.

Principal and interest will be payable in accordance with the Note at the office of the Treasurer as paying agent for the Agency in Riverside, California. The Agency shall immediately retire all the Note upon the issuance of bonds or other Agency obligations to finance or refinance the Project (as defined in the Note Resolution).

3. ***Release of Pledge of Pledged Revenues and Pledged Tax Revenues.*** Repayment of principal of and interest on the Note is secured by a pledge of Pledged Revenues and Pledged Tax Revenues, as defined in the Note. The Treasurer hereby agrees that, at the written request of the Agency, the pledge of either Pledged Revenues or Pledged Tax Revenues in any Fiscal Year (July 1 through the next June 30) and in all future Fiscal Years shall be released as to any such Pledged Revenues or Pledged Tax Revenues, as requested by the Agency, in such Fiscal Years if a certificate of the Agency is presented to the Treasurer, together with back-up documentation reasonably satisfactory to the Treasurer, showing that the Pledged Revenues or Pledged Tax Revenues as applicable, that is not requested to be released hereunder, to be received by the Agency in the then current Fiscal Year is at least equal to one hundred and thirty five percent (135%) of the maximum annual debt service (principal and interest) on the outstanding principal balance of the Note.

4. ***Opinion of Agency Counsel.*** At or prior to the purchase of the Note, or any series thereof, an approving opinion of both bond counsel and Counsel to the Agency (which may be the same legal counsel) as to the due authorization and enforceability of and legality for investment by the Treasurer of the Note shall be delivered to the Treasurer and the Agency.

5. ***Other Closing Items.*** At or prior to the issuance of the Note, or any series thereof, the Treasurer shall be provided with the following:

- (i) an opinion of County Counsel as to such matters as the Treasurer and bond counsel may reasonably request;
- (ii) signed originals of the Note and the Revenue Assumption Agreement;
- (iii) certified copies of the approving resolutions with respect to the Note, the Revenue Assignment Agreement and this Commitment Letter adopted by the Agency, the March Joint Powers Authority (the "Authority") and the County of Riverside;
- (iv) a closing certificate signed by a duly authorized officer of the Agency to the general effect that:
  - (a) the Agency has full legal right, power and authority to enter into and carry out the transactions on its part contemplated by the Note and the Revenue Assignment Agreement;

(b) the Note and the Revenue Assignment Agreement have been duly executed and delivered by the Agency;

(c) the financial and other information provided by the Agency to the Treasurer in connection with the Note and the Revenue Assignment Agreement, to the best knowledge of the Agency, provides an accurate presentation of the current financial condition of the Agency; and

(d) to the best knowledge of the Agency, there is no legal action, proceeding of investigation with respect to the Agency, that contests or otherwise effects the legal existence or powers of the Agency or contesting the validity of or power of the Agency to enter into the Note and the Revenue Assignment Agreement or perform its obligations thereunder;

(v) a closing certificate signed by a duly authorized officer of the Authority to the general effect that:

(a) the Authority has full legal right, power and authority to enter into and carry out the transactions on its part contemplated by the Revenue Assignment Agreement;

(b) the Revenue Assignment Agreement have been duly executed and delivered by the Authority;

(c) the financial and other information provided by the Authority to the Treasurer in connection with the Revenue Assignment Agreement, to the best knowledge of the Authority, provides an accurate presentation of the current financial condition of the Authority; and

(d) to the best knowledge of the Authority, there is no legal action, proceeding of investigation with respect to the Authority, that contests or otherwise effects the legal existence or powers of the Authority or contesting the validity of or power of the Authority to enter into the Revenue Assignment Agreement or perform its obligations thereunder;

(vi) such other closing certificates or materials as the Treasure may reasonably request.

6. **Term.** This irrevocable commitment to purchase, unless extended by the parties, shall expire at the close of business on \_\_\_\_\_, 2007.

Very truly yours,

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PAUL McDONNELL  
TREASURER-TAX COLLECTOR OF THE  
COUNTY OF RIVERSIDE

ACCEPTED AND AGREED TO THIS  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2007  
BY THE MARCH JOINT POWERS  
REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Executive Director

**\$7,750,000**  
**MARCH JOINT POWERS REDEVELOPMENT AGENCY NOTE**  
**SERIES 2007**

\$7,750,000 \_\_\_\_\_, 2007

REGISTERED OWNER: Treasurer and Tax Collector of the County of Riverside

FOR VALUE RECEIVED, the March Joint Powers Redevelopment Agency (the "Agency") acknowledges itself indebted to and promises to pay the holder hereof, at the principal office of the Treasurer-Tax Collector of the County of Riverside, as Paying Agent (the "Paying Agent"), in Riverside, California, on or before October 15, 2012 the principal sum of Seven Million Seven Hundred Fifty Thousand Dollars (\$7,750,000) or, if less, the aggregate principal amount of all the Advances, as that term is defined in the Irrevocable Letter of Commitment to Purchase dated \_\_\_\_\_ from the Treasurer-Tax Collector of the County of Riverside on behalf of the Riverside County Pooled Investment Fund (the "Treasurer"), as Purchaser, to the Agency made by the Purchaser to the Agency in lawful money of the United States of America, together with interest thereon, including interest on unpaid interest, at the rate determined in accordance with the terms of the "Resolution of the March Joint Powers Redevelopment Agency Board Providing for the Issuance of its Note in an Amount of Not to Exceed \$7,750,000 Upon Certain Terms and Conditions and Approving a Revenue Assignment Agreement and a Pledge of Agency Tax Increment" (the "Resolution"), adopted on September 19, 2007, which Resolution provides that interest shall accrue at a variable interest rate equal to the rate of interest payable with respect to the Riverside County Pooled Investment Fund (which rate is published in the Treasurer's monthly Compliance and Investment Report) plus 0.50%. Accrued interest shall be computed on the basis of a 360-day year for the actual number of days elapsed. The principal of and interest on this Series 2007 Note (the "Note") shall be payable only upon surrender of this Note on the date of maturity or on any prior date

without penalty, and in accordance with the terms of the Resolution. The Agency shall make semi-annual principal payments on this Note in accordance with the schedule attached hereto as Schedule I, commencing on October 15, 2009. The Agency shall make semi-annual payments of accrued and unpaid interest on the then outstanding principal amount of this Note, commencing on April 15, 2008. All payments shall be applied first to accrued and unpaid interest and then to the principal of this Note.

The Treasurer shall endorse on Schedule II attached hereto the date and amount of each Advance and the date and amount of each payment of principal of and interest on this Note; provided that the first advance (the "First Advance") shall be deemed to be made on the date hereof to pay the lots of issuing this Note. Such endorsements shall be presumptive as to the facts stated therein provided that the failure of the Treasurer to make any such endorsement shall not affect the right of the Purchaser to payment of principal or interest with respect to any Advance duly made. The mere fact of execution and delivery of this Note shall not imply that any indebtedness has been incurred nor that any amounts are outstanding hereunder.

It is hereby certified, recited and declared that this Note is made, executed and given pursuant to authority of the Resolution under and by authority of Article 5 of Chapter 6 of Part 1 of Division 24 of Title 1 of the California Health and Safety Code (commencing with Section 33640), and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law.

This Note and the interest to accrue hereon may be repaid from (i) certain Pledged Revenues as defined in, and to be received by the Agency under, a Revenue Assignment Agreement dated as of \_\_\_\_\_, 2007 between the Agency and the March Joint Powers Authority; (ii) from Pledged Tax Revenues, as defined in the Resolution; and (iii) from any other available funds of the

Agency lawfully made available by the Agency therefor, including the proceeds from the sale of this Note. Neither this Note nor any interest therein may be transferred in any way without the consent of the Agency, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the March Joint Powers Redevelopment Agency has caused this Note to be executed by its Chairman or Vice Chair on this 19th day of September, 2007.

MARCH JOINT POWERS REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Chairman

SCHEDULE I

SCHEDULE OF SEMI-ANNUAL PAYMENTS\*

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
04/15/2008	-		
10/15/2008	-		
04/15/2009			
10/15/2009			
04/15/2010			
10/15/2010			
04/15/2011			
10/15/2011			
04/15/2012			
10/15/2012			
<b>Total</b>			

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\* This Schedule I may be amended from time to time with a new schedule of remaining payments with the consent of the Registered Owner of this Note. In any event, the final payment shall be due on October 15, 2012.

NOTE WITH RESPECT TO PAYMENTS OF PRINCIPAL AND INTEREST: Interest payments shall be semi-annual on April 15 and October 15 of each year, commencing April 15, 2008. If any date for payment of principal or interest on the Note is not a day on which the Office the Treasurer-Tax collector is open for payment (such as Saturdays, Sundays or holidays), such payment shall be made on the next day said office is open.