

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

713



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
April 4, 2008

SUBJECT: Resolution No. 2008-176 Approving Colorado Educational and Cultural Facilities Authority Revenue Bonds to construct and equip a dining facility and meeting rooms at Pine Street Ranch Retreat and Conference Center in Mountain Center

RECOMMENDED MOTION: That the Board of Supervisors conduct a public hearing and, upon conclusion of the public hearing, adopt Resolution No. 2008-176 granting approval for the issuance of tax-exempt revenue bonds by the Colorado Educational and Cultural Facilities Authority for the benefit of the Southeastern California Conference of Seventh-day Adventists, a California nonprofit corporation and 501(c)(3) charitable organization, for the purpose of financing the acquisition, construction, improvement and equipping of certain dining and kitchen facilities and meeting room facilities for the Pine Springs Ranch Retreat and Conference Center located in Mountain Center in unincorporated Riverside County.

BACKGROUND: The Colorado Educational and Cultural Facilities Authority (CECFA) was created by the Colorado General Assembly and provides financing for colleges, universities, certain secondary schools, charter schools, and other educational institutions as well as financing for cultural entities. As a non-profit, charitable organization, the Southeastern California Conference of Seventh-day Adventists is eligible for tax-exempt financing. Pursuant to Section 147(f) of the Internal Revenue Code of 1986, after a duly noticed public hearing, the bonds must be approved by the "applicable elected representative" of the governmental unit having jurisdiction over the entire area in which any bond-financed facility is to be located. (Continued on page 2).

Paul McDonnell, Treasurer - Tax Collector

FORM APPROVED COUNTY COUNSEL
 BY: Dale A. Gardner 3/31/08
 DATE
 DALE A. GARDNER
 Departmental Concurrence

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

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: Christopher M. Hans

County Executive Office Signature

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

Prev. Agn. Ref.:

District: 3

Agenda Number:

9.19

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BACKGROUND: (Continued)

CECFA intends to issue tax-exempt revenue bonds in an aggregate principal amount not to exceed \$35,000,000 to finance the following facilities, to fund a reserve fund, and to pay certain costs of issuance.

The bonds are intended to construct and equip an approximately 15,500 square foot dining facility which includes a commercial kitchen, dining room, and additional meeting rooms for the Pine Springs Ranch Retreat and Conference Center, located at 58000 Apple Canyon Road, Mountain Center, California, in an amount not expected to exceed \$4,000,000 (the "Riverside County Facilities").

In addition, the bonds are intended to finance the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain educational facilities for Escondido Adventist Academy, a grades K-12 educational facility located in Escondido, California, including a new approximately 63,000 square foot grades K-12 school building, outdoor playgrounds and athletic fields in an amount not expected to exceed \$15,000,000 (the "Escondido Facilities"); and the bonds are intended to finance the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain educational facilities for Loma Linda Academy, a grades K-12 educational facility located in Loma Linda, California in an amount not expected to exceed \$16,000,000 (the "Loma Linda Facilities").

Because this Board has jurisdiction over the area where the Riverside County Facilities are to be located, the Board must hold a public hearing and approve the issuance of the bonds. Resolution No. 2008-176 approves the issuance of the bonds by CECFA for purposes of Section 147(f) of the Internal Revenue Code.

The bonds do not represent a debt or obligation of the County of Riverside and no funds of the County are pledged to the repayment of the bonds.

County Counsel has reviewed Resolution No. 2008-176 and approved it as to form.

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3 RESOLUTION NO. 2008-176

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5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 CALIFORNIA APPROVING THE ISSUANCE OF COLORADO EDUCATIONAL AND CULTURAL
7 FACILITIES AUTHORITY REVENUE BONDS IN A MAXIMUM AGGREGATE PRINCIPAL
8 AMOUNT OF \$35,000,000 FOR THE PURPOSES OF FINANCING AND REFINANCING THE COSTS
9 OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, REMODELING,
10 FURNISHING AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES AND CERTAIN
11 OTHER MATTERS RELATING THERETO

12
13 WHEREAS, Southeastern California Conference of Seventh-day Adventists, a California nonprofit
14 corporation ("Southeastern"), an organization described in Section 501(c)(3) of the Internal Revenue Code
15 of 1986 (the "Code"), has requested that the Colorado Educational and Cultural Facilities Authority (the
16 "Authority") participate in the issuance of one or more series of revenue bonds in an aggregate principal
17 amount not to exceed \$35,000,000 (the "Bonds") to be used to: (a) construct and equip a new
18 approximately 15,500 square feet dining facility which includes a commercial kitchen, dining room and
19 additional meeting rooms for the Pine Springs Ranch Retreat and Conference Center, located at 58000
20 Apple Canyon Road, Mountain Center, California, in an amount not expected to exceed \$4,000,000 (the
21 "Riverside County Facilities"); (b) finance the costs of acquisition, construction, improvement, renovation,
22 remodeling, furnishing and equipping of certain educational facilities for Escondido Adventist Academy, a
23 grades K-12 educational facility located at 1301 Deodar Road, Escondido, California 92029, including but
24 not limited to a new approximately 63,000 square feet grades K-12 school building which will include
25 classrooms, computer and science laboratories, gymnasium, cafeteria/auditorium, administrative offices,
26 library, outdoor playgrounds and athletic fields in an amount not expected to exceed \$15,000,000 (the
27 "Escondido Facilities"); (c) finance the costs of acquisition, construction, improvement, renovation,
28 remodeling, furnishing and equipping of certain educational facilities for Loma Linda Academy, a grades

1 K-12 educational facility located at 10656 Anderson Street, Loma Linda, California 92354, including but
2 not limited to remodeling of the physics classroom, remodeling the high school gym lobby,
3 entrance/parking reconfiguration, remodeling a classroom complex, building a new junior high school
4 gymnasium, building a new campus core building, building a new campus quad area, building a new
5 library, and making corresponding infrastructure changes fields in an amount not expected to exceed
6 \$16,000,000 (the "Loma Linda Facilities" and, together with the Riverside County Facilities and the
7 Escondido Facilities, the "Facilities"); (d) fund capitalized interest on the Bonds, if any; (e) fund any
8 required debt service reserve fund; and (f) pay certain costs of issuance of the Bonds, including initial costs
9 of any credit enhancement (collectively, the "Project"); and

10 WHEREAS, the proceeds of the Bonds will be loaned by the Authority to ACSI Capital
11 Corporation which will in turn loan the proceeds to SECC-ECF, LLC, a California limited liability
12 company, the sole member of which is Southeastern; and

13 WHEREAS, the Riverside County Facilities are or will be owned and operated by Southeastern
14 and located in the County of Riverside (the "County"); and

15 WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), prior to
16 their issuance, the Bonds are required to be approved by the "applicable elected representative" of the
17 governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having
18 jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public
19 hearing held following reasonable public notice; and

20 WHEREAS, the Riverside County Facilities to be financed and refinanced with proceeds of the
21 Bonds are located within the territorial limits of the County; and

22 WHEREAS, the members of the Board of Supervisors of the County are the elected legislative body
23 and are the applicable elected representatives of the County; and

24 WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of
25 general circulation within the County, a notice that a public hearing regarding the Bonds would be held on
26 the date hereof; and
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1 WHEREAS, such public hearing was conducted on this date by the Board of Supervisors, at which
2 time an opportunity was provided to interested parties to present arguments both for and against the
3 issuance of the Bonds; and

4 WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the
5 Bonds and the Project required by Section 147(f) of the Code.

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

8 1. The above recitals are true and correct.

9 2. The Board of Supervisors hereby approves the issuance of the Bonds by the Authority and
10 the Project to be financed and refinanced thereby. It is the purpose and intent of the Board of Supervisors
11 that this resolution constitute approval of the Bonds for the purposes of Section 147(f) of the Code and the
12 approval of the Facilities. The County of Riverside does not bear any responsibility for the tax-exempt
13 status of the Bonds, the debt service on the Bonds or any other matter related to the Bonds.

14 3. The officers of the County are hereby authorized and directed, jointly and severally, to do
15 any and all things and to execute and deliver any and all documents which they deem necessary or
16 advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the
17 financing transaction approved hereby.

18 4. This resolution shall take effect immediately upon its adoption.

19 PASSED AND ADOPTED by the Board of Supervisors of the County of Riverside this 15th day of
20 April, 2008.

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 5/31/08 DATE
DALE A. GARDNER

21 AYES:

22 NOES:

23 ABSENT:

24 By: _____

25 Clerk of the Board of Supervisors, County of
26 Riverside, California
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