

853

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



FROM: Executive Office

SUBMITTAL DATE:
October 10, 2008

SUBJECT: Riverside County Palm Desert Financing Authority's 2008 Series A Bond Issuance

RECOMMENDED MOTION: (1) Conduct a public hearing pursuant to Section 6586.5 of the Government Code on the proposed issuance of bonds by the Riverside County Palm Desert Financing Authority for the financing of certain public capital projects, and upon the closing of the public hearing (2) approve Resolution 2008-460 making a finding of significant public benefit in connection with the issuance of Lease Revenue Bonds (County Facilities Projects), 2008 Series A, of the Riverside County Palm Desert Financing Authority, approving the execution and delivery of certain documents relating to the issuance, sale and delivery of such bonds and authorizing certain other related matters.

BACKGROUND: On July 29, 2008 your Board approved the plans and specifications for the Palm Desert Sheriff Station and authorized the project to be put out to bid. At the same time the Riverside County Palm Desert Financing Authority (RCPDFA) was identified as the funding source for financing the sheriff station, as well as other facilities as identified in Exhibit A of the resolution. Resolution 2008-460 authorizes the RCPDFA to issue bonds sufficient to finance these projects.

(Continued)

Dan Martinez

Dan Martinez
Deputy County Executive Officer

Dean Deines

Dean Deines
Deputy County Executive Officer

**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:	07-08

SOURCE OF FUNDS: RCPDFA financing with repayment from Palm Desert Redevelopment Pass Through funds.

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

C.E.O. RECOMMENDATION: APPROVE

BY:

Jay E. Orr
Jay E. Orr

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *KATHERINE A. LIND* 10/15/08 DATE

Departmental Concurrence

- Policy
- Policy
- Consent
- Consent

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

9.1

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Riverside County Palm Desert Financing Authority's 2008 Series A Bond Issuance

The financing structure includes a term of 14 years to coincide with the receipt of the pass through funds identified as the repayment source.

Projects to be funded through this financing included a number of road improvements and three community centers in Eastern portion of the County. To support the inclusion of these projects the Rubidoux Family Care Center, Mecca Library and Mecca Sheriff office site are being pledged as part of the financing.

1 Resolution No. 2008-460

2 A Resolution of the Board of Supervisors of the County of Riverside
3 Making a Finding of Significant Public Benefit in Connection with the
4 Issuance of Lease Revenue Bonds (County Facilities Projects),
5 2008 Series A, of the Riverside County Palm Desert Financing
6 Authority, Approving the Execution and Delivery of Certain
7 Documents Relating to the Issuance, Sale and Delivery of Such
8 Bonds and Authorizing Other Related Matters
9

10 **WHEREAS**, the Riverside County Palm Desert Financing Authority (the "Authority") is
11 a joint powers authority duly organized and existing under and pursuant to Articles 1 through 4
12 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the California Government
13 Code (the "Act") and the Joint Exercise of Powers Agreement, dated as of January 1, 2002, as
14 amended, by and between the County of Riverside (the "County") and the Palm Desert
15 Redevelopment Agency ("Palm Desert RDA"), and is authorized pursuant to Article 4 of the
16 Act to issue bonds to provide financing for public capital improvements; and

17 **WHEREAS**, the Authority proposes to issue and sell its Lease Revenue Bonds (County
18 Facilities Projects), 2008 Series A (the "2008 RCPDFA Bonds"), to provide financing for
19 certain County capital projects described in Exhibit A hereto (collectively, the "Projects"); and

20 **WHEREAS**, the 2008 RCPDFA Bonds will be issued pursuant to the terms of an
21 Indenture (the "Indenture"), to be entered into by the Authority and Wells Fargo Bank National
22 Association, as trustee; and

23 **WHEREAS**, in connection with the issuance of the 2008 RCPDFA Bonds, it is
24 proposed that the Authority and the County will enter into a Lease (the "Lease"), under which
25 the Authority will lease certain real properties described in Exhibit B hereto (collectively, the
"Leased Properties") from the County, and a Sublease (the "Sublease"), under which the

1 County will sublease the Leased Properties from the Authority and make rental payments,
2 calculated to be sufficient to allow the Authority to pay debt service on the 2008 RCPDFA
3 Bonds; and

4 **WHEREAS**, pursuant to Section 6586.5 of the California Government Code, after
5 notice duly published in accordance with law, the Board of Supervisors of the County (this
6 "Board") held a public hearing on this date with respect to the proposed issuance of the 2008
7 RCPDFA Bonds and the related financing and received evidence concerning the public
8 benefits therefrom; and

9 **WHEREAS**, pursuant to a Cooperative Agreement, dated as of February 13, 1992, by
10 and among the County, the City of Palm Desert and Palm Desert RDA, Palm Desert RDA
11 deposits a portion of the tax increment revenues with respect to Palm Desert RDA's Project
12 Area No. 3 and the Added Territory of Project Area No. 1, As Amended, into a "County Capital
13 Improvement Fund" (the "County Capital Improvement Fund"); and

14 **WHEREAS**, pursuant to an Implementation Agreement, proposed to be entered into by
15 the County and Palm Desert RDA, the County will direct Palm Desert RDA to periodically
16 transfer available amounts from the County Capital Improvement Fund to the County for the
17 application of such amounts to rental payments under the Sublease; and

18 **WHEREAS**, further in connection with the issuance of the 2008 RCPDFA Bonds, it is
19 proposed that the County and Palm Desert RDA will enter into a letter agreement (the "Letter
20 Agreement") which, among other things, will direct Palm Desert RDA to periodically transfer
21 available amounts from the County Capital Improvement Fund to the County for application in
22 connection with the Authority's Lease Revenue Bonds (County Facilities Projects), 2003
23 Series A (the "2003 RCPDFA Bonds") and sets forth additional agreements regarding the
24 administration of the 2003 RCPDFA Bonds and the 2008 RCPDFA Bonds;

25 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF
RIVERSIDE DOES HEREBY FIND RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

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1. The above recitals, and each of them, are true and correct.

2. This Board hereby finds that the financing of the Projects through the issuance by the Authority of the 2008 RCPDFA Bonds will result in significant public benefits to the constituents of the County, including more efficient delivery of local agency services to residential and commercial development. The County hereby approves the issuance of the 2008 RCPDFA Bonds by the Authority.

3. The Lease, proposed to be entered into by and between the County and the Authority, in the form on file with the Clerk of this Board (the "Clerk of the Board"), is hereby approved. Each of the Chairman of this Board, the County Executive Officer, or either of them, or their designee (each, an "Authorized Officer"), is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Lease in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

4. The Sublease, proposed to be entered into by and between the Authority and the County, in the form on file with the Clerk of the Board, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Sublease in substantially said form, with such changes therein as the Authorized Officer executing the same may approve (such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof).

5. The Implementation Agreement, proposed to be entered into by and between the Authority and Palm Desert RDA, in the form on file with the Clerk of the Board, is hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Implementation Agreement in substantially said form, with such changes therein as the Authorized Officer executing the

1 same may approve (such approval to be conclusively evidenced by such Authorized Officer's
2 execution and delivery thereof).

3 6. The Purchase Contract (the "Purchase Contract") proposed to be entered into
4 by the Authority, the County and Citigroup Global Markets Inc., as the representative of itself,
5 Banc of America Securities LLC, Loop Capital Markets, Inc., and Stinson Securities LLC
6 (collectively, the "Underwriters"), in the form on file with the Clerk of the Board, is hereby
7 approved. Subject to the limitations set forth in Section 7 below, the sale of the 2008 RCPDFA
8 Bonds pursuant to the terms and conditions set forth in the Purchase Contract, are hereby
9 approved and each Authorized Officer, acting singly, is authorized and directed, for and in the
10 name and on behalf of the County, to execute and deliver the Purchase Contract in
11 substantially said form, with such changes therein as the Authorized Officer executing the
12 same may require or approve (such approval to be conclusively evidenced by such Authorized
13 Officer's execution and delivery thereof).

14 7. The authorization regarding the execution and delivery of the Purchase
15 Contract shall be subject to the following parameters: (i) the aggregate principal amount of the
16 2008 RCPDFA Bonds shall not exceed \$80,000,000; (ii) the true interest cost of the 2008
17 RCPDFA Bonds shall not exceed 6.25 percent; and (iii) the Underwriters' compensation with
18 respect to the sale of 2008 RCPDFA Bonds shall not exceed 0.75 percent of the principal
19 amount thereof. In addition, the authorization and powers delegated to the Authorized Officers
20 by Section 6 of this Resolution shall be valid for a period of 180 days from the date of adoption
21 of this Resolution.

22 8. The Preliminary Official Statement relating to the 2008 RCPDFA Bonds (the
23 "Preliminary Official Statement"), in the form on file with the Clerk of the Board, is hereby
24 approved. Each Authorized Officer, acting singly, is hereby authorized and directed, for and in
25 the name and on behalf of the County, to cause the Preliminary Official Statement in
substantially said form, with such changes therein as such Authorized Officer may approve, to

1 be deemed final for the purposes of Rule 15c2-12 promulgated under the Securities and
2 Exchange Act of 1934. The distribution by the Underwriters of copies of the Preliminary
3 Official Statement to potential purchasers of the 2008 RCPDFA Bonds is hereby approved.

4 9. Each Authorized Officer, acting singly, is hereby authorized and directed, for
5 and in the name and on behalf of the County, to cause the Preliminary Official Statement to be
6 brought to a final Official Statement (the "Official Statement"), and to execute the same for and
7 in the name and on behalf of the County, with such changes therein as such Authorized
8 Officer may approve (such approval to be conclusively evidenced by such Authorized Officer's
9 execution and delivery thereof). The distribution and use of the Official Statement by the
10 Underwriters in connection with the sale of the 2008 RCPDFA Bonds are hereby approved.

11 10. The Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"),
12 proposed to be executed by the County in the form on file with the Clerk of the Board, is
13 hereby approved. Each Authorized Officer, acting singly, is hereby authorized and directed,
14 for and in the name and on behalf of the County, to execute and deliver the Continuing
15 Disclosure Certificate in substantially said form, with such changes therein as the Authorized
16 Officer executing the same may approve (such approval to be conclusively evidenced by such
17 Authorized Officer's execution and delivery thereof).

18 11. Each Authorized Officer, acting singly, is hereby authorized and directed to
19 execute requisitions from time to time to make draws from the "Project Fund" established
20 under the Indenture to pay or make reimbursements for costs of the Projects.

21 12. The Letter Agreement, proposed to be entered into by and between the County
22 and Palm Desert RDA, in the form on file with the Clerk of the Board, is hereby approved.
23 Each Authorized Officer, acting singly, is hereby authorized and directed, for and in the name
24 and on behalf of the County, to execute and deliver the Letter Agreement in substantially said
25 form, with such changes therein as the Authorized Officer executing the same may approve

1 (such approval to be conclusively evidenced by such Authorized Officer's execution and
2 delivery thereof).

3 13. The Authorized Officers and all other officers of the County are hereby
4 authorized and directed, jointly and severally, to do any and all things (including any
5 negotiation or other action to obtain a municipal bond insurance policy or a debt service
6 reserve surety bond for the 2008 RCPDFA Bonds) and to execute and deliver any and all
7 documents which they may deem necessary or advisable in order to effectuate the purposes
8 of this Resolution and each document approved hereby and any such actions previously taken
9 by such officers are hereby ratified and confirmed.

10 14. This Resolution shall take effect immediately upon adoption.

11 The foregoing resolution was passed and adopted by the Board of Supervisors for the
12 County of Riverside at a regular meeting held on the ____ day of _____, 2008, by the
13 following vote:

14 YES:

15 NO:

16 ABSENT:

17 ABSTAIN:

18 **ATTEST:**
19 Nancy Romero
20 Clerk of the Board

21 By: _____
22 Deputy

23 **APPROVED AS TO FORM:**
24 Joe S. Rank
25 County Counsel

26 By: Kate A. his for
27 Dale Gardener
28 Deputy County Counsel

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EXHIBIT A

Projects to be financed with 2008 RCPDFA Bond Proceeds:

- (i) the construction and installation of a sheriff station and related facilities in the City of Palm Desert,
- (ii) the acquisition, construction, development and rehabilitation of various community centers, day care centers, multi-service center and park facilities in the County, and
- (iii) various public infrastructure improvements throughout the County.

EXHIBIT B

Properties to be subject to the Lease and the Sublease Relating to the 2008 RCPDFA Bonds

The following real properties, including land and improvements thereon:

- (i) the proposed regional park site adjacent to the Christian School of the Desert in Bermuda Dunes;
- (ii) the County library branch and sheriff office site on Avenue 66 in Mecca;
- (iii) the proposed multi-service center site at 19531 McLane Street in North Palm Springs;
- (iv) the health clinic/family care center site at 5256 Mission Boulevard in Rubidoux; and
- (v) the proposed sheriff station site on the south side of Gerald Ford Drive between Monterey and Portola Avenues in Palm Desert.