

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

211



**FROM:** Executive Office

**SUBMITTAL DATE:**  
November 10, 2008

**SUBJECT:** Southwest Communities Financing Authority Animal Shelter Project

**RECOMMENDED MOTION:** That the Board approve Resolution 2008-488 amending its resolution regarding the financing of the acquisition and construction of an animal shelter, and the issuance and sale of bonds by the Southwest Communities Financing Authority.

**BACKGROUND:** On April 29, 2008, the Board held a public hearing and approved Resolution 2008-215 approving the issuance of bonds by the Southwest Communities Financing Authority for the purpose of constructing an animal shelter. As part of the resolution, the County approved the issuance of the bonds so long as the net interest cost to maturity of the bonds did not exceed 6.25%, which was sufficient based on then current market conditions. However, with the downturn in the tax-exempt municipal market it may not be possible to achieve the authorized interest cost of 6.25%. Therefore, it is recommended that the net interest cost to maturity be increased to a not to exceed rate of 7.25%, to allow for a successful completion of the bond sale. The increase, if realized by market conditions, will increase the annual debt service by \$180,000, of which the County's share would be \$38,000.

Dean Deines  
Deputy County Executive Officer

FORM APPROVED COUNTY COUNSEL  
BY: DALE A. GARDNER  
DATE: 11/2/08

Departmental Concurrence

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 361,800	For Fiscal Year:	N/A

<b>SOURCE OF FUNDS:</b> Debt repayment from Member Agencies of the Southwest Communities Financing Authority.	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

**County Executive Office Signature**

Policy

Consent

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

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**RESOLUTION NO. 2008-488**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AMENDING ITS RESOLUTION REGARDING THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF AN ANIMAL SHELTER, AND THE ISSUANCE AND SALE OF BONDS BY THE SOUTHWEST COMMUNITIES FINANCING AUTHORITY

**WHEREAS**, the Southwest Communities Financing Authority (the "Authority") is a joint exercise of powers authority formed pursuant to a Joint Exercise of Powers Agreement originally executed by and among the County of Riverside (the "County"), the City of Canyon Lake ("Canyon Lake"), the City of Lake Elsinore ("Lake Elsinore"), the City of Murrieta ("Murrieta"), and the City of Temecula ("Temecula") (and together with the County, Canyon Lake, Lake Elsinore, Murrieta and Temecula, the "Member Agencies"), and authorized under said Agreement and under the laws of the State of California to finance the acquisition and construction of and operation of animal shelters serving its member communities; and

**WHEREAS**, to provide such financing for the Project the County approved at its meeting of April 29, 2008, pursuant to Resolution No. 2008-215 the issuance of proposed revenue bonds by the Authority in an aggregate original principal amount of not to exceed \$18,000,000 (the "Bonds") under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), which are proposed to be payable from lease payments to be paid to the Authority by the County pursuant to a lease agreement relating to the Project (the "Lease Agreement"); and

**WHEREAS**, pursuant to the authorizing resolution, the County approved the issuance of the bonds so long as the net interest cost to maturity of the bonds did not exceed 6.25%, and the current market conditions for the issuance of tax-exempt municipal bonds require that a higher

1 net interest cost to maturity be permitted; and

2       **WHEREAS**, the Board of Supervisors has duly considered such transactions and has  
3 determined that it approves said transactions in the public interest of the County and the  
4 Authority;

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

7       Findings and Determinations. The Board of Supervisors finds and determines that the  
8 foregoing recitals are true and correct.

9       **SECTION 1** Amendment to Resolution No. 2008-215. The Board of  
10 Supervisors hereby amends Section 4. of Resolution No. 2008-215 to read as follows:

11       The Board of Supervisors hereby approves the sale of the Bonds by the Authority  
12 by negotiated sale to De La Rosa & Co.; provided that the net interest cost for the Bonds shall  
13 not be more than 7.25% and the underwriter's discount shall not exceed 1.25% per annum.  
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15       **SECTION 2** Remaining Provisions Effective, Official Actions. All other  
16 provisions of Resolution No. 2008-215 shall remain in full force and effect and the Chief  
17 Executive Officer and Deputy County Executive Officer, the Clerk of the Board of Supervisors  
18 and any and all other officers of the County are hereby authorized and directed, for and in the  
19 name and on behalf of the County, to do any and all things and take any and all actions, which  
20 they, or any of them, may deem necessary or advisable in order to consummate the transactions  
21 as described herein in connection with the issuance and sale of the Bonds.  
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**SECTION 3** Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

**ADOPTED** this 18th day of November, 2008.

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Chairman,  
Riverside County Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk,  
Riverside County Board of Supervisors

FORM APPROVED COUNTY COUNSEL  
BY: DALE A. GARDNER 11/12/08  
DATE