

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



FROM: Economic Development Agency

SUBMITTAL DATE:
February 23, 2009

SUBJECT: Public Hearing, Approval of Extension of Empowerment Zone Tax-Exempt Bonds for Spectrum Grande, LLC

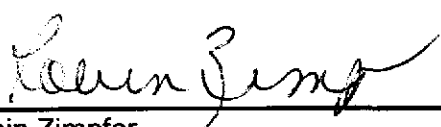
RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct the public hearing; and
2. Adopt Resolution 2009-094 approving the extension of maturity date by the Industrial Development Authority of the County of Riverside (the "Authority") of its Variable Rate Demand Empowerment Zone Facility Revenue Bonds for the benefit of Spectrum Grande, LLC (the "Applicant").

BACKGROUND: On October 27, 2005, the Authority issued \$6,500,000 of its Variable Rate Demand Empowerment Zone Facility Revenue Bonds (the "Bonds") to finance the cost of the land and construction of a 100,000 square foot facility at the Spectrum at Shadow Hills in Indio for Guy Evans, Inc., a finish-work carpentry company specializing in the manufacturing, distribution and installation of doors, molding and builder's hardware (the "Project").

(Continued on Page 2)

FORM APPROVED COUNTY COUNSEL
 BY: *[Signature]*
 DALE A. GARDNER
 DATE: 2/23/09
 Departmental Concurrence



 Robin Zimpfer
 Assistant County Executive Officer/EDA

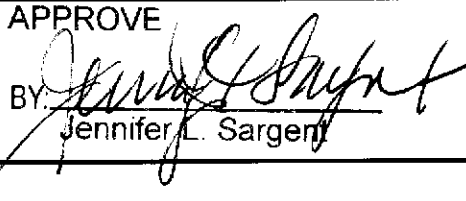
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 Spectrum Grande\Guy Evans Spectrum BOS Form 11 2.09.doc

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: Yes

SOURCE OF FUNDS: Bonds to be secured and paid for by the Applicant	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

Dept's Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 10-18-05, Item 9.3 District: 4 Agenda Number:

9.5
 Form 11 (Rev. 06/2003)

BACKGROUND: (Continued)

In March of 2008, the original borrower, Guy H. Evans and Malia Evans, Co-Trustees of the Evans Living Trust, u/d/t April 18, 1995, transferred the Project to Spectrum Grande, LLC, (the "Applicant") a related entity, and the Applicant assumed all the obligations of the original loan agreement and bond documents.

The Applicant has submitted a request to the Authority to extend the maturity date of the Bonds and add an additional letter of credit to secure the Bonds. The Bonds are secured by a letter of credit issued by California Bank & Trust but due to recent financial market disruptions, the interest rate on the Bonds has increased significantly in comparison to the interest rate for other comparable bonds. The proposed amendments serve to add a confirming letter of credit by the Federal Home Loan Bank of San Francisco as additional security for the payment of the Bonds. The additional security will allow the Bonds to receive a higher rating and, correspondingly, be remarketed at lower rates. The amendments will also extend the final maturity date of the Bonds, solely for tax purposes.

Staff recommends that the Board conduct the public hearing and adopt Resolution No. 2009-094 approving the extension of the maturity date of the Bonds.

A companion item appears on today's Industrial Development Authority agenda.

RESOLUTION NO. 2009-094

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE EXTENSION OF MATURITY OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE VARIABLE RATE DEMAND EMPOWERMENT ZONE FACILITY REVENUE BONDS, SERIES 2005 (GUY EVANS, INC. PROJECT)

WHEREAS, Spectrum Grande, LLC ("Spectrum") has requested the Industrial Development Authority of the County of Riverside (the "Authority") to extend the maturity date and the weighted average maturity of the Authority's Variable Rate Demand Empowerment Zone Facility Revenue Bonds, Series 2005 (Guy Evans, Inc. Project) (the "Bonds"), which Bonds were issued pursuant to the California Industrial Development Financing Act, being Title 10 of the California Government Code, as supplemented and amended, to finance a portion of the cost of the acquisition, construction, rehabilitation and/or installation of certain property and equipment located at 82585 Showcase Parkway, Indio, California (the "Project"); and

WHEREAS, Spectrum, as successor borrower to Guy H. Evans and Malia Evans as Co-Trustees or the Evans Living Trust U/D/T April 18, 1995, owns the Project, which is used for manufacturing and distributing commercial, residential and custom builder's products, including doors, moldings and builders hardware or for other qualified purposes; and

WHEREAS, the extension of the maturity date and the weighted average maturity of the Bonds must be approved by this Board of Supervisors in order to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Clerk of the Board of Supervisors has caused a notice to appear in *The Press-Enterprise*, which is a newspaper of general circulation in the County of Riverside, on February 17, 2009, to the effect that a public hearing would be held by the Board of Supervisors on March 3, 2009, regarding the extension of the maturity date and the weighted average maturity of the Bonds with respect to the Project; and

WHEREAS, the Board of Supervisors has held said public hearing on March 3, 2009, providing a reasonable opportunity for persons to comment on the extension of the maturity date and the weighted average maturity of the Bonds with respect to the Project; and

WHEREAS, it is intended that this Resolution shall constitute the approval of the extension of the maturity date and the weighted average maturity of the Bonds required by Section 147(f) of the Code;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Riverside, that:

FORM APPROVED COUNTY COUNSEL
BY [Signature] 2/23/09
DATE DALE A. GARDNER

Section 1. The Board of Supervisors of the County of Riverside (the "County") hereby approves the extension of the maturity date and the weighted average maturity of the Bonds. This resolution shall constitute both "host" and "issuer" approval within the meaning of Section 147(f) of the Code.

Section 2. All actions heretofore taken by the officers, employees and agents of the County with respect to the approval of the extension of the maturity date and the weighted average maturity 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 extension of the maturity date and the weighted average maturity of the Bonds and otherwise to effectuate the purposes of this Resolution.

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

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Supervisors of the County of Riverside on March 3, 2009, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Chairman

ATTEST:

NANCY ROMERO, CLERK OF THE
BOARD OF SUPERVISORS

By _____
Deputy