

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

7130



FROM: Economic Development Agency and Treasurer-Tax Collector


SUBMITTAL DATE:
July 13, 2009

SUBJECT: Riverside County Redevelopment Agency 2009 Bond Anticipation Note

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2009-257 approving the issuance by the Redevelopment Agency for the County of Riverside of its Bond Anticipation Note ("Note") in an amount not to exceed \$15,000,000 and authorizing the purchase of the Note by the Treasurer-Tax Collector.

BACKGROUND: The Redevelopment Agency is currently implementing several redevelopment capital improvement projects in the Romoland area. These projects have been in the planning stages for several years and several are ready for construction. It had been anticipated that the Agency would issue new tax allocation bonds to fund these projects based on substantial growth that has occurred in the area however, current bond market conditions are unfavorable with high rates due to the current economic environment.

Continued



Don Kent
Treasurer - Tax Collector



Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 15,000,000	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes


SOURCE OF FUNDS: Redevelopment Capital Improvement Program Funds for the Romoland Sub Area of the I-215 Corridor Project Area and the Homeland Sub Area of the Mid County Project Area

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

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature


BY: Jennifer Sargent

Prev. Agn. Ref.: N/A

District: 5

Agenda Number

3.54

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 7/14/09
DATE: 7/14/09
Concurrence

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

2009 JUL 13 12 54 PM '09

BACKGROUND: (continued)

In order to proceed with our projects it is proposed that a Bond Anticipation Note (Note) be issued by the Agency in the amount of \$15,000,000 to fund the Eller Park Project, the Romoland Beautification Project and a portion of the Romoland-Homeland Community Center, Childcare Center and Park. It is proposed that the Note be purchased by the Treasurer-Tax Collector.

Pursuant to the terms of the note, interest will accrue at a variable interest rate equal to the rate of interest payable with respect to the County of Riverside Treasurers Pooled Investment Fund Monthly Report plus 0.50%. Accrued interest will be paid quarterly by the Agency and the principal would be paid at maturity of the Note which will be two years after the date of issuance.

Staff recommends approval of the issuance of the Note as proposed so the Agency can proceed with the projects as proposed in a timely fashion which will in turn help stimulate the economy through the creation of jobs and investment.

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3 RESOLUTION NO. 2009-257

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5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 APPROVING THE ISSUANCE BY THE REDEVELOPMENT AGENCY FOR THE COUNTY OF
7 RIVERSIDE OF ITS BOND ANTICIPATION NOTES IN AN AMOUNT OF NOT TO EXCEED
8 \$15,000,000

9 WHEREAS, in accordance with Article 5 of Chapter 6 of Part 1 of Division 24 of the Health
10 and Safety Code of the State of California, commencing with Section 33640, the Redevelopment Agency for
11 the County of Riverside (the "Agency") is authorized to issue bonds and notes for any of its corporate
12 purposes; and

13 WHEREAS, the Agency wishes to finance certain redevelopment projects, the Romoland
14 Beautification Project, Eller Park and the Romoland/Homeland Community Center, Childcare Center and
15 Park (the "Projects") located in and outside of the Romoland Subarea of the I-215 Corridor Project Area as
16 well as the Homeland Subarea of the Mid County Project Area of the Agency; and

17 WHEREAS, the Agency wishes to finance the Projects by the sale of its bond anticipation
18 notes to the Treasurer and Tax Collector of the County as purchaser;

19 NOW, THEREFORE, the Board of Supervisors of the County of Riverside hereby resolves
20 as follows:
21

22 Section 1. Approval of Issuance of Notes. The issuance and sale by the Agency of its
23 bond anticipation notes designated "Redevelopment Agency for the County of Riverside Bond Anticipation
24 Notes, Series 2009" (the "Notes") in an aggregate principal amount of not to exceed \$15,000,000 to
25 finance the Projects is hereby approved.

Section 2. Purchase of Notes by Treasurer and Tax Collector. The purchase of the
Notes by the Treasurer and Tax Collector of the County (the "Treasurer") is hereby approved. Such

FORM APPROVED COUNTY COUNSEL
BY: DALEA. GARDNER
DATE: 7/14/09

1 purchase by the Treasurer shall be on the terms and conditions as set forth in the Irrevocable Letter of
2 Commitment of the Treasurer in the form attached hereto as Exhibit A; which provides among other things
3 that the Notes shall be dated the date of delivery thereof; shall mature two years from the date of issuance
4 thereof; and shall be issued in an initial principal amount of \$15,000,000 with interest to accrue thereon,
5 including interest on unpaid interest which is unpaid upon the quarterly payment date, at a variable interest
6 rate equal to the rate of interest payable with respect to the Riverside County Treasurers Pooled Investment
7 Fund Monthly Report plus 0.50%, with interest to be paid quarterly and principal to be repaid at maturity.
8 The Notes shall be repayable (i) from proceeds of refunding bonds or other obligations of the Agency, (ii)
9 from unexpended proceeds of the Notes, (iii) from tax increment moneys received by the Agency pursuant
10 to Section 33670 of the California Health and Safety Code from the Romoland Subarea of the I-215
11 Corridor Redevelopment Project Area and the Homeland Subarea of the Mid County Redevelopment
12 Project Area (the "Tax Increment") and lawfully available for such payment, but on a subordinate basis to
13 the pledge and use of such Tax Increment for the repayment of any now outstanding tax allocation bonds,
14 notes or other evidences of indebtedness or other contractual obligations of the Agency heretofore incurred
15 and secured or otherwise repayable from Tax Increment, and (iv) any other available funds of the Agency.
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18 Section 3. Letter of Commitment. The Letter of Commitment of the Treasurer, and the
19 terms and conditions therein, are hereby approved in substantially the form attached hereto, with such changes
20 as the Treasurer may approve.
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EXHIBIT A

JULY 21, 2009

\$15,000,000

REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
BOND ANTICIPATION NOTES, SERIES 2009

IRREVOCABLE LETTER OF COMMITMENT TO PURCHASE

Redevelopment Agency for the
County of Riverside Riverside,
California

Ladies and Gentlemen:

The undersigned Treasurer and Tax Collector of the County of Riverside (the "Treasurer"), hereby offers to provide this irrevocable letter of commitment of the Treasurer to purchase up to \$15,000,000 of Bond Anticipation Notes of the Redevelopment Agency for the County of Riverside (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 Notes.** 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 \$15,000,000 in aggregate principal amount of the Agency's Bond Anticipation Notes, Series 2009 (the "Notes"). The aggregate purchase price to be paid by the Treasurer for any or all of said Notes shall be the aggregate par value thereof.

2. **The Notes.** The Notes 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 Redevelopment Agency for the County of Riverside Providing for the Issuance of Bond Anticipation Notes in an Amount of Not to Exceed \$15,000,000 Upon Certain Terms and Conditions" (the "Note Resolution") adopted on July 21, 2009. The Notes will be payable as provided in the Note Resolution. The Notes will be issued in the aggregate principal amount of up to \$15,000,000 and will be issued in non-registrable bearer form, in such denominations as may be designated by the Treasurer. The Notes may be issued in one or more series. The Notes will be dated their date of original delivery, and will mature and bear interest as provided in the Note Resolution. The Notes may be prepaid at any time without penalty.

The Notes shall be issued as a single note upon which an advance ("Advance") may be made by the Treasurer upon his receipt from the Agency, of a disbursement request. The Notes 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. Interest on the Note shall begin to accrue upon the date of the receipt of funds by the Agency.

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

3. ***Opinion of Counsel.*** At or prior to the purchase of the Notes, or any series thereof, an approving opinion of both bond counsel and County Counsel of the County of Riverside as to the due authorization and enforceability of and legality for investment by the Treasurer of the Notes shall be delivered to the Treasurer and the Agency.

4. ***Term.*** This irrevocable commitment to purchase, unless extended by the parties, shall expire at the close of business on July 21, 2009.

Very truly yours,

DON KENT
TREASURER AND TAX COLLECTOR
OF THE COUNTY OF RIVERSIDE

ACCEPTED AND AGREED TO THIS 21st DAY OF JULY, 2009 BY THE REDEVELOPMENT
AGENCY FOR THE COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman
Board of Directors