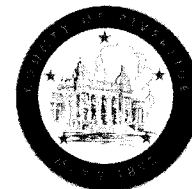


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

154



FROM: Economic Development Agency

SUBMITTAL DATE:
July 29, 2010

SUBJECT: Approval of Resolution 2010-240, Approving the Issuance of Recovery Zone Facility Revenue Bonds by the Industrial Development Authority of the County of Riverside for the Benefit of Matthew Johnson and Guy Evans, dba Chuckawalla Valley Raceway

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a Public Hearing on August 10, 2010 at 9:30am or as soon as possible thereafter; and
2. Adopt Resolution No. 2010-240, approving the issuance by the Industrial Development Authority of the County of Riverside of Recovery Zone Facility Bonds for Matthew Johnson and Guy Evans, dba Chuckawalla Valley Raceway.

BACKGROUND: As part of the American Recovery and Reinvestment Act of 2009, new provisions were added to the Internal Revenue Code of 1986 allowing public agencies to create Recovery Zones for the purpose of issuing public and private bonds. These bonds are intended to stimulate the economy in the Recovery Zones. On July 21, 2009, the Board of Supervisors adopted Resolution No. 2009-255, designating the entire county as a Recovery Zone.

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

| | | | | |
|-----------------------|-------------------------------|------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 0 | In Current Year Budget: | Yes |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 2010/11 |

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

| | | |
|-----------------------------|---|--------------------------|
| 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: *Serena Chow*
Serena Chow

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner*
DALE A. GARDNER
DATE: 7/28/10

Departmental Concurrence

Dept't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 7/21/09, Item 3.102

District: 4

Agenda Number:

9.14

Economic Development Agency

Approval of Resolution 2010-02 Approving the Issuance of Recovery Zone Facility Revenue Bonds by the Industrial Development Authority of the County of Riverside for the Benefit of Matthew Johnson and Guy Evans dba Chuckawalla Valley Raceway
July 29, 2010

Page 2

BACKGROUND: (Continued)

Recovery Zone Bonds consist of two categories, Economic Development and Facility Bonds. Economic Development Bonds are taxable governmental bonds which can be utilized for the promotion of economic development in areas such as construction of infrastructure, public facilities, and various other economic development purposes. The federal government will reimburse local governmental issuers in an amount equal to 45% of the interest paid. Riverside County's allocation of Recovery Zone Economic Development Bonds is \$49,801,000.

Recovery Zone Facility Bonds are tax-exempt, private activity bonds which allow issuers to provide tax-exempt financing for projects such as large manufacturing plants, distribution centers, research facilities, etc. Riverside County's allocation of Recovery Zone Facility Bonds is \$74,702,000.

In September 2009, the Economic Development Agency issued a Request for Proposals (RFP) for projects seeking bond financing in both categories. The Facility Bond RFP received several responses in excess of the county's allocation. Staff conducted a thorough analysis of each of the proposals and recommended four be given portions of the allocation. One of the projects selected is the Chuckwalla Valley Raceway project located on 250 acres of land located on the eastern portion of the Desert Center Airport in Desert Center, Riverside County. The project consists of a race track that is 40 feet in width and 2.7 miles in length with 17 turns which is Southern California's only private, member only automobile and motorcycle training and practice road course race track facility. The project is recommended to receive \$10,500,000 to be used for the construction of infrastructure necessary for the development of the Chuckwalla Valley Raceway.

The Resolution is adopted for the purpose of meeting the Department of the Treasury and California Government Code requirements. The Resolution does not bind the county to make any expenditure, incur any indebtedness, or proceed with the financing of the project. Further requests for approval will come before the Board of Supervisors and Board of Directors prior to the financing of the project.

Attachment:
Resolution 2010-240

RF:LB:SM:RM 10289

s:\edcom\economic development\2009 arra funding\recovery zone\ida issuance docs\chuckwalla valley raceway\chuckwalla valley raceway bos form 11.doc

THE PRESS-ENTERPRISE

3450 Fourteenth Street
Riverside CA 92501-3878
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P.)**

Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: PH - Chuckawalla Valley Raceway

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673 and under date of August 25, 1995, Case Number 267864; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

07-27-10

I Certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: Jul. 27, 2010
At: Riverside, California

Natalie Villa

KUTAK ROCK LLP
515 S FIGUEROA ST, STE 1240
ATTN: SAM S. BALISY
LOS ANGELES CA 90071-3329

Ad #: 10343219

PO #:

Agency #: _____

Ad Copy:

NOTICE OF FILING APPLICATION AND PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF BONDS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE

NOTICE IS HEREBY GIVEN that at 9:30 a.m. on August 10, 2010, or as soon thereafter as the matter may be heard, at the Robert T. Anderson Administrative Center, 4080 Lemon Street, Board of Supervisors Chambers, Riverside, California 92501, the Board of Supervisors of the County of Riverside (the "Board of Supervisors") will conduct a public hearing (the "Public Hearing") at which the Board of Supervisors will hear and consider information concerning, the issuance from time to time, pursuant to a plan of finance, of one or more series of tax-exempt and/or taxable bonds in an aggregate principal amount not to exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000) (the "Bonds") by the Industrial Development Authority of the County of Riverside (the "Authority") for the benefit of Matthew Johnson and Guy Evans, d/b/a Chuckawalla Valley Raceway and/or a related or successor entity (the "Borrower"). Proceeds of the Bonds are to be loaned to the Borrower pursuant to one or more loan agreements (the "Loan Agreement"). The proceeds of the Bonds loaned to the Borrower will be applied to pay the cost of, or reimburse the Borrower for the cost of (1) construction, installation and equipping of an automobile and motorcycle training and practice racetrack and ancillary facilities located at 25300 Rice Road, Desert Center, California 92239 and (2) capitalized interest and certain costs of issuance in connection with the Bonds (the "Project"). The Project will be owned by the Borrower and is located within the County of Riverside Recovery Zone designated by the Board of Supervisors. The Bonds will be paid entirely from repayments by the Borrower under the Loan Agreement. Neither the faith and credit nor the taxing power of the Authority, the County of Riverside (the "County"), the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Bonds, nor shall the Authority, the County, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Bonds.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986. Those wishing to comment on the proposed nature and location of any of the Project and the financing of the Project with the proceeds of the Bonds may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the Board of Supervisors, c/o Clerk of the Board of Supervisors, Robert T. Anderson Administrative Center, 4080 Lemon Street, Riverside, California 92501. Notice is further given that the Borrower has filed an application with the Authority in connection with the proposed issuance of the Bonds to finance the Project, and reference is hereby made to such application for further particulars.

Date: July 27, 2010
COUNTY OF RIVERSIDE
By: /s/ Kecia Harper-Ihem
Clerk of the Board of Supervisors

7/27

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 10-240

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE OF NOT TO EXCEED \$10,500,000 AGGREGATE PRINCIPAL AMOUNT OF ITS RECOVERY ZONE FACILITY REVENUE BONDS FOR THE BENEFIT OF MATTHEW JOHNSON AND GUY EVANS, D/B/A CHUCKAWALLA VALLEY RACEWAY OR A RELATED OR SUCCESSOR ENTITY

WHEREAS, the Industrial Development Authority of the County of Riverside (the "Authority") has accepted an application from Matthew Johnson and Guy Evans, d/b/a Chuckawalla Valley Raceway (the "Applicant") for the benefit of the Applicant and/or a related or successor entity (collectively, the "Company") requesting the Authority to issue its recovery zone facility revenue bonds pursuant to the California Industrial Development Financing Act, being Title 10 of the California Government Code, as supplemented and amended (the "Act"), to finance a portion of the cost of the construction, installation and equipping of certain property (the "Project"); and

WHEREAS, the Company will use the Project to provide an automobile and motorcycle training and practice racetrack and ancillary facilities; and

WHEREAS, the Board of Directors of the Authority in its resolution of intention, adopted on August 10, 2010, expressed its intention to issue its recovery zone facility revenue bonds in an aggregate principal amount not-to-exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000) (the "Bonds") for the benefit of the Company; and

WHEREAS, the Authority has made the determinations required to be made pursuant to Section 91530 of the Act preliminary to the issuance by the Authority of the Bonds; and

WHEREAS, this Board of Supervisors has considered the information contained in the aforesaid application and has considered the determinations of the Authority; and

WHEREAS, the issuance 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 Section 91530(f) of the Act; and

FORM APPROVED COUNTY COUNSEL

BY: Dale A. Gardner 7/27/10 DATE

1 **WHEREAS**, the Clerk of the Board of Supervisors has caused a notice to appear in The
2 Press-Enterprise, which is a newspaper of general circulation in the County of Riverside, on July
3 27, 2010, to the effect that a public hearing would be held by the Board of Supervisors on
4 August 10, 2010, regarding the issuance of the Bonds and the nature and location of the
5 Project; and

6 **WHEREAS**, the Board of Supervisors has held said public hearing on August 10, 2010,
7 providing a reasonable opportunity for persons to comment on the issuance of the Bonds and
8 the nature and location of the Project; and

9 **WHEREAS**, it is intended that this Resolution shall constitute the approval of the Project
10 and the issuance of the Bonds required by Section 147(f) of the Code and Section 91530(f) of
11 the Act;

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

14 Section 1. The Board of Supervisors of the County of Riverside (the "County") hereby
15 approves the Project and the issuance of the Bonds. The Bonds may be tax-exempt or taxable
16 as determined by the Authority in its final resolution, in an amount not-to-exceed Ten Million
17 Five Hundred Thousand Dollars (\$10,500,000) to finance a portion of the costs of the Project.
18 The issuance of the Bonds shall be subject to the satisfaction by the Company of any other
19 requirements of the Authority and the County. The Bonds and the interest thereon shall be paid
20 from revenues received by the Authority from the Company pursuant to a financing agreement
21 with respect to the Project to be entered into between the Authority and the Company. This
22 resolution shall constitute both "host" and "issuer" approval of the Bonds within the meaning of
23 Section 147(f) of the Code and shall constitute approval of the Project and the issuance of the
24 Bonds within the meaning of Section 91530(f) of the Act.

25 Section 2. All actions heretofore taken by the officers, employees and agents of the
26 County with respect to the approval, issuance and sale of the Bonds are hereby approved,
27 confirmed and ratified, and the officers and employees of the County and their authorized
28 deputies and agents are hereby authorized and directed, jointly and severally, to do any and all

1 things and to execute and deliver any and all certificates and documents which they or bond
2 counsel may deem necessary or advisable in order to consummate the issuance, sale and
3 delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

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

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1 **PASSED, APPROVED, AND ADOPTED** at a meeting of the Board of Supervisors of the
2 County of Riverside on August 10, 2010, by the following vote:

- 3 AYES:
- 4 NOES:
- 5 ABSENT:
- 6 ABSTAIN:

COUNTY OF RIVERSIDE

Marion Ashley, Chairman
Board of Supervisors

11 ATTEST:
12 **KECIA HARPER-IHEM**
13 **CLERK OF THE BOARD**

15 By _____
16 Deputy

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28 resolution.doc