

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

829



FROM: Economic Development Agency

SUBMITTAL DATE:  
November 18, 2010

SUBJECT: Transferring of the County of Riverside Recovery Zone Facility Bond Allocation to the California Enterprise Development Authority and Approving the Issuance by the California Enterprise Development Authority of \$37,200,000 of bonds for the benefit of Regional Properties, Inc.

RECOMMENDED MOTION: That the Board of Supervisors:

Adopt Resolution No. 2010-323, transferring of the County of Riverside Recovery Zone Facility Bond allocation to the California Enterprise Development Authority and approving the issuance by the California Enterprise Development Authority of \$37,200,000 of bonds for the benefit of Regional Properties, Inc.

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  
Assistant County Executive Officer/EDA

FINANCIAL  
DATA

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

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

County Executive Office Signature

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

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

District: 2

Agenda Number:

3.11

Economic Development Agency

Transferring of the County of Riverside Recovery Zone Facility Bond Allocation to the California Enterprise Development Authority and Approving the Issuance by the California Enterprise Development Authority of \$37,200,000 of bonds for the benefit of Regional Properties, Inc.

November 18, 2010

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**BACKGROUND:** (Continued)

Recovery Zone Facility Bonds are tax-exempt, private activity bonds which allow issuers to provide 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. The Facility Bond RFP received several responses but unfortunately most of the projects were unable to qualify under the program requirements. In the last few months, a request for allocation came from Regional Properties, Inc. which is under construction on a project located in the city of Riverside. The project consists of a six-story, 140,000 square foot office building with four levels of subterranean parking located in the downtown area of the city.

The Resolution is adopted for the purpose of facilitating the allocation transfer in accordance with the Department of the Treasury and California Government Code requirements.

Attachment:

Resolution 2010-323

RF:LB:SM:RM 10289

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COUNTY OF RIVERSIDE

BOARD OF SUPERVISORS

**RESOLUTION NO. 2010-323**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TRANSFERRING \$37,200,000 OF THE COUNTY OF RIVERSIDE RECOVERY ZONE FACILITY BOND ALLOCATION TO THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, APPROVING THE ISSUANCE BY CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$37,200,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE OBLIGATIONS FOR THE PURPOSE OF FINANCING THE COST OF CONSTRUCTION, INSTALLATION, EQUIPPING AND FURNISHING OF COMMERCIAL FACILITIES FOR THE BENEFIT OF REGIONAL PROPERTIES, INC., PROVIDING THE TERMS AND CONDITIONS FOR SUCH OBLIGATIONS AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, pursuant to Resolution No. 2009-255, the Board of Supervisors of the County of Riverside, California (the "County") designated the County of Riverside Recovery Zone (the "Recovery Zone");

**WHEREAS**, the County has received volume cap under Section 1400U-1(a)(3)(A) of the Internal Revenue Code of 1986 (the "Code");

**WHEREAS**, Section 5.04 of Internal Revenue Service Notice 2009-50 authorizes cities that receive recovery zone facility bond volume cap to allocate such volume cap to ultimate beneficiaries in any reasonable manner as they shall determine in good faith in their discretion for use for eligible costs for recovery zone property;

**WHEREAS**, Regional Properties, Inc., a corporation duly organized and existing under the laws of the State of California (the "Applicant"), has submitted and the California Enterprise Development Authority (the "Authority") has accepted, an application requesting the Authority to issue, from time to time, pursuant to a plan of finance, its tax-exempt and/or taxable revenue obligations in an aggregate principal amount not-to-exceed Thirty-Seven Million Two Hundred Thousand Dollars (\$37,200,000) (the "Obligations") for the benefit of the Applicant and/or a related or successor entity (the "Borrower") pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State, (commencing with Section 6500) (the "Act") the proceeds of which will be used in part to finance or reimburse the Borrower for the cost of construction, installation, equipping and furnishing a six-story, 140,000 square foot office building with four

FORM APPROVED COUNTY COUNSEL  
BY *[Signature]* DATE *11/23/10*  
J. J. BARNES

1 levels of subterranean parking located at 3390 University Avenue, Riverside, California 92522  
2 (collectively, the "Facilities") and the payment certain costs of issuance in connection with the  
3 Obligations;

4 **WHEREAS**, the Borrower has requested that the County provide an allocation of  
5 \$37,200,000 in recovery zone facility bond volume cap to finance the Facilities and has  
6 requested that such allocation be transferred by the County to the Authority for the purpose of  
7 issuing the Obligations to finance the Facilities;

8 **WHEREAS**, the Facilities are located within the territorial limits of County of Riverside  
9 (the "County") and the Board of Supervisors of the County (the "Board of Supervisors") is the  
10 elected legislative body of the County;

11 **WHEREAS**, the Facilities are expected to provide significant benefits to the residents  
12 of the County through the services to be provided by the Borrower and the Facilities will also  
13 create employment opportunities for residents of the County over the long term; and

14 **WHEREAS**, the Authority's issuance of the Obligations will result in a more  
15 economical and efficient issuance process because of the Authority's expertise in the  
16 issuance of conduit revenue bonds.

17 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board  
18 of Supervisors of the County as follows:

19 **Section 1.** The Board of Supervisors hereby finds and determines that all of the recitals  
20 are true and correct.

21 **Section 2.** The County hereby transfers Thirty-Seven Million Two Hundred Thousand  
22 Dollars (\$37,200,000) of its recovery zone facility bond volume cap under Section 1400U-  
23 1(a)(3)(A) of the Code (the "Allocation") to the Authority for the benefit of the Borrower for use  
24 in financing the Facilities.

25 **Section 3.** The Authority is hereby authorized to use the Allocation to issue the  
26 Obligations under Section 1400U-3 of the Code and loan the proceeds thereof to the Borrower  
27 to finance the construction, renovation, installation and equipping of the Facilities and to pay  
28 costs of issuance of the Obligations. The County shall not bear any responsibility for the tax-

1 exempt status of the Obligations, the repayment of the Obligations or any other matter related  
2 to the Obligations.

3       **Section 4.** The Authority shall give written notice to the County within ten (10)  
4 business days of issuance of the Obligations.

5       **Section 5.** All actions heretofore taken by the officers, employees and agents of the  
6 County with respect to the transfer of the Allocation to the Authority and the approval of the  
7 issuance of the Obligations by the Authority are hereby approved, confirmed and ratified, and  
8 the officers and employees of the County and their authorized deputies and agents are hereby  
9 authorized and directed, jointly and severally, to do any and all things and to execute and deliver  
10 any and all certificates and documents which they or bond counsel may deem necessary or  
11 advisable in order to consummate the transfer of the Allocation to the Authority and the approval  
12 of the issuance of the Obligations by the Authority and otherwise to effectuate the purposes of  
13 this Resolution.

14       **Section 6.** This Resolution shall take effect from and after its adoption.

15 ///  
16 ///  
17 ///

1 **PASSED, APPROVED, AND ADOPTED** at a meeting of the Board of Supervisors of  
2 the County of Riverside on December 7, 2010, by the following vote:

3  
4 AYES:

5 NOES:

6 ABSENT:

7 ABSTAIN:

8 **COUNTY OF RIVERSIDE**

9  
10  
11  
12 Marion Ashley, Chairman  
Board of Supervisors

13 **ATTEST:**

14 **KECIA HARPER-IHEM**  
Clerk of the Board

15  
16  
17 By \_\_\_\_\_  
Deputy

18  
19  
20 **APPROVED AS TO FORM:**

21 **PAMELA J. WALLS**  
County Counsel

22  
23  
24 By \_\_\_\_\_  
Deputy

25  
26  
27 s:\edcom\economic development\2009 arra funding\recovery zone\city of riverside\regional prop allocation tranf res 11.10.doc