

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

222



FROM: Executive Office

SUBMITTAL DATE:
September 19, 2012

SUBJECT: Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012 (**Vote on Separately**)

RECOMMENDED MOTION: That the Board of Supervisors approve and adopt Resolution 2012-214, authorizing the issuance of not to exceed \$21,000,000 of Riverside County Public Financing Authority Lease Revenue Bonds (County Facilities Projects), Series 2012, approving the execution and delivery of an Indenture, and a Facility Lease, and other matters related thereto.

BACKGROUND: The Series 2012 Bonds are being issued in an amount not to exceed \$21,000,000 to refund bonds issued by the Riverside County Palm Desert Financing Authority (PDFA) in 2003 (the 2003A Bonds) which refunded the \$7,010,000 PDFA Lease Revenue Bonds, Series 1996 and funded the construction of the Coachella Valley Animal Campus and the Mecca Family Service Center and Community Health Clinic. The refunding is a current refunding with approximate present value savings in the range of \$1 million, calculated to be 5.65% of the refunded bonds. The 2003A Bonds are secured by County leases of the facilities.

Ivan Chand

Ivan Chand, Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 238,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	2012-13

SOURCE OF FUNDS: Pass through agreement with the Palm Desert Successor Agency	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Christopher M. Hans*

County Executive Office Signature Christopher M. Hans

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* 9/25/12
DALE A. GARDNER DATE
Departmental Concurrence

Consent Policy
Consent Policy

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

The Riverside County Palm Desert Financing Authority was established in the 1990s to capture tax increment pass through revenues for the benefit of the desert communities. The PDFA is a joint powers authority comprised of the County and the now defunct Palm Desert Redevelopment Agency. The underlying lease payment schedules were crafted to reflect the expected pass through revenue that would otherwise flow directly to the County. Since the passage of the Governors' Redevelopment bill (AB1X 26), the County now receives the pass through revenue directly and the status of the PDFA as a viable ongoing entity has been called into question. Therefore the County has selected its own Public Financing Authority as the most appropriate issuing entity.

RESOLUTION NO. 2012-214

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$21,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS (COUNTY FACILITIES PROJECTS), SERIES 2012, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE, A SITE LEASE AND A FACILITY LEASE, AND OTHER MATTERS RELATED THERETO

WHEREAS, the Riverside County Public Financing Authority (the "Authority") is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of March 20, 1990 (the "Joint Powers Agreement"), by and between the County of Riverside (the "County") and the Redevelopment Agency of the County, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and is authorized and empowered pursuant to Article 4 (commencing with Section 6584) of the Act to issue bonds for the purposes of financing and refinancing public capital improvements; and

WHEREAS, the County desires to provide for the refinancing of certain public improvements (the "Project") previously acquired, constructed and installed pursuant to the provisions of a Facilities Lease, dated as of December 1, 2003 between the County and the Riverside County Palm Desert Financing Authority (the "Desert Financing Authority");

WHEREAS, in order to provide the funds necessary to refinance the Project, the County and the Authority will enter into a Site Lease (the "Site Lease"), whereby the County will lease to the Authority certain real property and the improvements located thereon (the "Leased Property"), and the County and the Authority will enter into a Facility Lease (the "Facility Lease"), whereby the County will sublease from the Authority the Leased Property; and

WHEREAS, pursuant to an assignment agreement, the Authority will transfer certain of its rights, title and interests in and to the Site Lease and the Facility Lease, including its right to receive base rental payments due under the Facility Lease, to The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Trustee"); and

WHEREAS, pursuant to an Indenture (the "Indenture") by and among the County, the Authority and the Trustee, the Authority will issue and deliver its Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012 in an aggregate principal amount of not to exceed \$21,000,000 (the "Bonds"), the proceeds of which will be used to refinance the Project and related costs of issuance and a reserve fund

FORM APPROVED COUNTY COUNSEL
BY: *Maria A. Gardner* 9/20/12
DALE A. GARDNER DATE

through the refunding of the outstanding Riverside County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects) 2003 Series A (the "Prior Bonds"); and

WHEREAS, the Bonds will be secured by, among other things, the base rental payments made by the County under the Facility Lease; and

WHEREAS, in connection with the issuance and delivery of the Bonds, the County also desires to approve the form of Escrow Agreement (the "Escrow Agreement") between the County and Wells Fargo Bank, National Association, as successor to The Bank of New York Mellon Trust Company, N.A., successor to BNY Western Trust Company, serving as trustee in connection with the Prior Bonds; and

WHEREAS, in connection with the issuance and delivery of the Bonds, the County also desires to approve the form and distribution of a preliminary official statement (the "Preliminary Official Statement") and the form of a purchase contract (the "Purchase Contract"); and

WHEREAS, to fulfill the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), the County and the Trustee will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), whereby the County will agree to provide certain continuing disclosure reports; and

WHEREAS, the County, in consideration of the Authority's determination to assist with the refinancing of the Project as described above, has agreed to indemnify and hold harmless the Authority in connection with entering into the Site Lease and the Facility Lease and the Project, as more particularly set forth in the Facility Lease; and

WHEREAS, there have been presented to this meeting proposed forms of the following documents:

1. an Indenture;
2. a Site Lease;
3. a Facility Lease;
4. the Escrow Agreement;
5. a Purchase Contract;
6. a Preliminary Official Statement; and
7. a Continuing Disclosure Agreement;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE COUNTY BOARD OF SUPERVISORS AS FOLLOWS:

SECTION 1. Approval of Issuance of Bonds by the Authority. The issuance of the Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i) the aggregate principal amount of Bonds shall not exceed \$21,000,000, (ii) the maturity of the Bonds shall not exceed May 1, 2045 and (iii) the true interest cost with respect to the Bonds shall not exceed 6.0% per annum.

SECTION 2. Approval of Indenture. The form of Indenture presented at this meeting is hereby approved and the County Executive Officer, the Assistant County Executive Officer and the County Finance Director, or his or her designee (each, an "Authorized Officer") are hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Indenture in substantially the form presented at this meeting with such changes therein as the Authorized Officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, including with respect to whether and what type(s) of credit enhancement secures the Bonds, or by other factors, as determined by the Authorized Officers in consultation with the County's financial and legal consultants as being in the best interests of the Authority and the County.

SECTION 3. Approval of Site Lease. The form of Site Lease presented at this meeting is hereby approved and the Authorized Officers are hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Site Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Approval of Facility Lease. The form of Facility Lease presented at this meeting is hereby approved and the Authorized Officers are hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Facility Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. Approval of Escrow Agreement. The form of Escrow Agreement presented at this meeting is hereby approved and the Authorized Officers are hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Escrow Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Approval of Purchase Contract. Each Authorized Officer is hereby severally authorized and directed to execute and deliver the Purchase Contract in the form presented to this meeting, with Morgan Keegan & Company, acting on behalf of itself and as representative of Raymond James & Associates, Inc., as underwriter of the Bonds (the "Underwriter"), with such changes therein as such Authorized Officer shall approve as evidenced by the execution thereof; *provided, however*, that the underwriting fee payable pursuant to the Purchase Contract shall not exceed 0.6% of the aggregate principal amount of the

Bonds and the maturity date, the principal amount of the Bonds and the interest rates thereon shall be limited as specified in Section 1 hereof.

SECTION 7. Approval of Financial Advisor Agreement. Each Authorized Officer is hereby severally authorized and directed to execute and deliver the Financial Advisor Agreement in the form presented to this meeting, with C.M de Crinis & Co., Inc. with such changes therein as such Authorized Officer shall approve as evidenced by the execution thereof.

SECTION 8. Approval of Official Statement. The Preliminary Official Statement is hereby approved and the same may be used and is hereby authorized to be used and distributed in the market by the Underwriter incident to the marketing of the Bonds. Each Authorized Officer is hereby authorized to (a) make such changes in such form of the Preliminary Official Statement as such Authorized Officer, in consultation with County Counsel and the Underwriter, shall determine to be appropriate, and (b) on behalf of the County, to deem such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Each Authorized Officer is authorized and directed to prepare a final Official Statement, with such additional information as may be permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, which final Official Statement shall be executed and delivered in the name and on behalf of the County by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare, execute and deliver in the name and on behalf of the County any supplemental filings related to such final Official Statement.

SECTION 9. Approval of Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Other Acts. The officers and staff of the County are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with Counsel to the County or with Orrick, Herrington & Sutcliffe LLP, the County and Authority's bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

SECTION 11. Effective Date. This Resolution shall take effect upon adoption.

PASSED and ADOPTED this October 2, 2012.

John Tavaglione,
Chairman of the Board of Supervisors

ATTESTED:
Kecia Harper-Ihem
Clerk of the Board of Supervisors

Deputy

APPROVED AS TO FORM AND LEGALITY

Pamela Walls, Esq.
County Counsel

By _____
Senior Deputy County Counsel

[Insert Clerk's Certificate Regarding Due Adoption of Resolution]