

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

945



FROM: Executive Office

SUBMITTAL DATE:
December 6, 2012

SUBJECT: East County Detention Center-Consent to Payments

RECOMMENDED MOTION: That the Board:

- 1) Adopt Resolution No. 2012-250, declaring intent to reimburse the Executive Office for expenditures made on the project and make the following findings:
 - a) The East County Detention Center is of primary benefit to the County of Riverside because of realignment of State prisoners.
 - b) No other reasonable means of financing the project are currently available to the County due to limited public funds; and
 - c) The various improvements will assist in the completion of the East County Detention Center and allow for the acceptance of a conditional award from the State of California Corrections Standards Authority in the amount of \$100,000,000 for this project.
- 2) Direct the Auditor Controller to establish a fund for the East County Detention Center project.

Ivan Chand

Continued on Page 2

Ivan Chand, Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 5,000,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012-13

SOURCE OF FUNDS: County of Riverside Asset Leasing, Corporation (CORAL) Bond financing	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*
Christopher M. Hans

County Executive Office Signature

Consent
 Policy
 Consent
 Policy

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

Prev. Agn. Ref.: 3.19 3/27/12 | District: ALL | Agenda Number:

3.5

RE: East County Detention Center-Consent to Payments

Date December 6, 2012

Page 2

BACKGROUND: On March 15, 2012, the County of Riverside received a conditional award from the State of California Corrections Standards Authority (CSA) in the amount of \$100,000,000 for the construction of the East County Detention Center.

In order to fulfill the conditions of the funding awarded by the state and bring this project through design award and construction, it is necessary for the project team to incur costs such as project management, environmental document preparation, legal fees, real estate services, relocation costs, and miscellaneous consultant fees. These costs are to be reimbursed from lease revenue bond proceeds issued by the County of Riverside Asset Leasing Corporation (CORAL). The anticipated project costs that will need to be reimbursed are \$40,000,000.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 2012-250

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE AUTHORIZING REIMBURSEMENT
OF CERTAIN EXPENDITURES MADE IN CONNECTION WITH
THE EAST RIVERSIDE COUNTY DETENTION CENTER AND
RELATED PROJECTS.**

WHEREAS, the County of Riverside ("County") desires to finance the acquisition, purchase, modification, expansion, improvement, rehabilitation, leasing or construction of the East County Detention Center and related projects and to pay expenses incurred in conjunction therewith (the "Various Projects");

WHEREAS, the County expects to enter into a long-term lease arrangement to finance the costs of the Various Projects (the "Lease Financing");

WHEREAS, the County expects to expend moneys (other than the moneys derived from the issuance of bonds) on expenditures relating to the costs of the Various Projects prior to the consummation of the Lease Financing, which expenditures would be properly chargeable to a capital account under general federal income tax principals;

WHEREAS, the County reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Lease Financing;

WHEREAS, the County expects that the maximum principal amount of proceeds of the Lease Financing which will be issued to pay for the costs of the Various Projects (and related issuance costs) will not exceed \$40,000,000;

WHEREAS, at the time of the reimbursement, the County will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Lease Financing to the County for the purpose of reimbursing the County for the capital expenditures made prior to the consummation of the Lease Financing;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

WHEREAS, the County expects to make the reimbursement allocation no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure is paid or (ii) the date on which the Various Projects are placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure for the Various Projects are paid;

WHEREAS, the County will not, within one (1) year of the reimbursement allocation, use the proceeds of the Lease Financing received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Lease Financing or another issue; and

WHEREAS, this resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Section 1.150-2 of the Treasury Regulations, the County declares its intention to consummate a Lease Financing in a principal amount not to exceed \$40,000,000, the proceeds of which will be used to pay for the costs of the Various Projects (and related issuance costs), including the reimbursement to the County for certain capital expenditures relating to the Various Projects made prior to the consummation of the Lease Financing.

This Resolution shall take effect immediately upon its passage.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PASSED and ADOPTED by the Board of Supervisors of the County of Riverside on the
18th day of December, 2012.

COUNTY OF RIVERSIDE

By: _____
John Tavaglione,
Chairman of the Board of Supervisor

Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

(Seal)

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: *Pamela J. Walls 12/17/12*
Deputy