

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

832



FROM: Economic Development Agency

SUBMITTAL DATE:
March 14, 2013

SUBJECT: Resolution No. 2013-069, Approving the Issuance by the California Enterprise Development Authority of Revenue Obligations for the Benefit of Loma Linda University Medical Center Murrieta

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing with the Board of Supervisors per Section 147(f) of the Internal Revenue Code of 1986;
2. Adopt Resolution No. 2013-069, declaring the California Enterprise Development Authority intent to issue tax-exempt obligations to finance and refinance the cost of acquisition of medical equipment at Loma Linda University Medical Center Murrieta; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2013-069, including, but not limited to, signing subsequent essential and relevant documents.

BACKGROUND: (Commences on Page 2)

Lisa Brandl

Robert Field
Assistant County Executive Officer/EDA
By: Lisa Brandl, Managing Director

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:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: 501(c)(3) Revenue Obligations	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer J. Sargent*
Jennifer J. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner*
DALE A. GARDNER
DATE: 3/13/13
Departmental Concurrence

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

Prev. Agn. Ref.: | **District:** 3/3 | **Agenda Number:** 9-1

BACKGROUND:

Loma Linda University Medical Center Murrieta is a full service hospital facility located at 28062 Baxter Road, Murrieta, California 92563 and serves Temecula, Fallbrook, Winchester, Lake Elsinore, Murrieta, Menifee, Sun City, Hemet, Perris, Wildomar, Canyon Lakes and many more communities. The hospital opened on April 16, 2011, and includes a new, state-of the art 256,000 square foot acute care hospital with 106 inpatient beds, and a 160,000 square foot Professional Office Building. The hospital provides a full spectrum of services to patients including, general surgery, maternity, neonatology, orthopedic surgery, cancer detection and many others.

The California Enterprise Development Authority proposes to issue tax-exempt obligations in an amount not to exceed \$50,000,000 to: 1) finance and refinance the cost of acquisition of medical equipment, including but not limited to, CT, X-Ray and Ultrasound systems, mammography equipment, a linear accelerator, nurse call systems, generators, furniture, computer equipment and other related hospital equipment, all used in connection with the operation of the hospital; and 2) pay certain costs of issuance in connection with the financing. The California Enterprise Development Authority is an eligible conduit issuer of tax-exempt obligations.

The financing will consist of a loan between a Lender and the California Enterprise Development Authority (the Authority Loan), and a concurrent loan of the Authority loan proceeds by the California Enterprise Development Authority to Loma Linda University Medical Center Murrieta.

In order for the interest of the obligations to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended, requires that the governmental unit where the project is located, hold a public hearing on the issuance of obligations and approve the issuance of the obligations following such hearing. The California Enterprise Development Authority has requested that the Board approve the issuance of the obligations by the California Enterprise Development Authority in order to satisfy the public approval requirement of section 147(f) of the Internal Revenue Code. The California Enterprise Development Authority will be the conduit issuer and the obligations will not represent a general obligation of the County of Riverside or the Economic Development Agency for the County of Riverside.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2013-069.

Attachments:

Resolution No. 2013-069

Public Notice

1 WHEREAS, the issuance of the Obligations by the Authority must be approved by the
2 governmental unit on behalf of which the Obligations are issued and a governmental unit having
3 jurisdiction over the territorial limits in which the Financed Property are located pursuant to the
4 public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as
5 amended (the “Code”); and

6 WHEREAS, the Financed Property is located within the territorial limits of the County
7 of Riverside (the “County”) and the Board of Supervisors of the County (the “Board of
8 Supervisors”) is the elected legislative body of the County; and

9 WHEREAS, the County is an associate member of the Authority; and

10 WHEREAS, the Authority has requested that the Board of Supervisors approve the
11 issuance of the Obligations by the Authority in order to satisfy the public approval requirement
12 of Section 147(f) of the Code and the Act; and

13 WHEREAS, pursuant to Section 147(f) of the Code, the Board of Supervisors has,
14 following notice duly given, held a public hearing regarding the issuance of the Obligations at
15 which all those interested in speaking with respect to the Project were heard, and now desires
16 to approve the issuance of the Obligations by the Authority, as provided below;

17 NOW, THEREFORE, be it resolved by the Board of Supervisors of the County of
18 Riverside, as follows:

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

21 Section 2. The Board of Supervisors hereby approves the issuance of the
22 Obligations by the Authority for the Project. It is the purpose and intent of the Board of
23 Supervisors that this resolution constitute approval of the issuance of the Obligations by the
24 Authority only for the purposes of the Act and Section 147(f) of the Code by the applicable
25 elected representative of the governmental unit having jurisdiction over the area in which the
26 Financed Property will be located, in accordance with said Section 147(f).

1 Section 3. The issuance and delivery of the Obligations shall be subject to the
2 approval of and execution by the Authority of all financing documents relating thereto to which
3 the Authority is a party and subject to the sale of the Obligations by the Authority.

4 Section 4. The payment of the principal, prepayment premium, if any, and purchase
5 price of and interest on the Obligations shall be solely the responsibility of Borrower. The
6 Obligations shall not constitute a debt or obligation of the County.

7 Section 5. The officers of the County are hereby authorized and directed, jointly and
8 severally, to do any and all things and to execute and deliver any and all documents which they
9 deem necessary or advisable in order to carry out, give effect to and comply with the terms and
10 intent of this resolution and the financing transaction approved hereby.

11 Section 6. This Resolution shall take effect from and after the date of its passage
12 and adoption.

13 THE FOREGOING RESOLUTION is approved and adopted by the Board of
14 Supervisors of the County of Riverside this 26th day of March, 2013, by the following vote:

15 AYES:

16 NOES:

17 ABSENT:

18 ABSTAINING:

19
20 _____
21 John Benoit, Chairman
22 Board of Supervisors

22 **ATTEST:**
23 Kecia Harper-Ihem
24 Clerk of the Board

25
26 _____
27 Deputy

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**NOTICE OF PUBLIC HEARING WITH RESPECT TO THE
ISSUANCE OF OBLIGATIONS BY THE CALIFORNIA
ENTERPRISE DEVELOPMENT AUTHORITY FOR THE
PURPOSE OF FINANCING AND REFINANCING
FACILITIES FOR THE BENEFIT OF LOMA LINDA
UNIVERSITY MEDICAL CENTER MURRIETA AND/OR A
RELATED OR SUCCESSOR ENTITY**

NOTICE IS HEREBY GIVEN that at 9:00 a.m. on March 26, 2013, or as soon thereafter as the matter may be heard, at 4080 Lemon Street, First Floor, Board Chambers, Riverside, California 92501, the Board of Supervisors of the County of Riverside (the "Board") will conduct a public hearing (the "Public Hearing") at which the Board 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, notes or other evidence of indebtedness by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000) (the "Obligations") for the benefit of Loma Linda University Medical Center Murrieta, and/or a related or successor entity (collectively, the "Borrower"). The Issuer will loan the proceeds of the Obligations to the Borrower pursuant to one or more loan agreements (the "Loan Agreement"). The proceeds of the Obligations loaned to the Borrower will be applied to (1) finance and refinance the cost of acquisition of a variety of medical equipment and systems, including but not limited to, CT, X-Ray and Ultrasound systems, mammography equipment, a linear accelerator, nurse call systems, generators, furniture, computer equipment and other related hospital equipment (collectively, the "Financed Property") and (2) pay certain costs of issuance in connection with the financing. The Financed Property is used by the Borrower in connection with the operation of Loma Linda University Medical Center Murrieta, a multi-facility, full service acute care hospital and health care campus located at 28062 Baxter Road, Murrieta, California 92563, providing a full spectrum of services to patients including, general surgery, maternity, neonatology, orthopedic surgery, cancer detection and many others. The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement.

Neither the faith and credit nor the taxing power of 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 Obligations, nor shall 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 Obligations.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment or those who have any questions regarding the proposed nature and location of the Financed Property and the financing of the Financed Property with the proceeds of the Obligations 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 by the County of Riverside, Attention: Clerk of the Board of Supervisors, 4080 Lemon Street, Riverside, California 92501.

COUNTY OF RIVERSIDE

By: /s/ Kecia Harper-Ihem
Clerk of the Board of Supervisors