

Departmental Concurrence

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

231



FROM: Riverside County Public Financing Authority

SUBMITTAL DATE:

June 2, 2015

SUBJECT: Refunding of Outstanding Bonds of the Dissolved Redevelopment Agency, All Districts
 [\$512,500] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Riverside County Public Financing Authority Resolution No. 2015-01 authorizing the issuance of its 2015 Series A Tax Allocation Revenue Bonds (Project Area No. 1, Desert Communities and Interstate 215 Corridor Projects), to refinance the 2005 Series A, Series D and Series E Bonds.
2. Direct staff to submit this item to the Oversight Board for approval.

BACKGROUND:

Summary

(commences on next page)

Rohini Dasika
 Rohini Dasika
 Senior Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ 512,500	\$ 512,500	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	

SOURCE OF FUNDS: Bond Proceeds	Budget Adjustment:	No
	For Fiscal Year:	15/16

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*
 Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

5-1

BACKGROUND:

Summary (continued)

Per Board direction the Successor Agency has undertaken a comprehensive program to refinance its outstanding debt to lower debt service costs and increase the available tax revenues for distribution to the affected taxing entities.

The proposed issuance of refunding bonds is to refinance bonds issued in 2005: the Series A, D & E Bonds issued for the 1-1896, Desert Communities and I-215 Project areas, respectively. Three new series of bonds will be issued by the Successor Agency. The project area bonds will be simultaneously purchased by the Riverside County Public Financing Authority and resold to the underwriters on a pooled basis. Pooling the three underlying issues achieves savings in regards to the cost of issuance and expected interest rates. (There is a companion item on the Successor Agency's Agenda today.) The term of the existing bonds will not be extended. The refunding bonds produce savings well in excess of the Board's present value savings target of 3% (Board Policy B-24 for the Riverside County Debt Advisory Committee) The issuance of the refunding bonds was approved at the DAC meeting on June 11, 2015.

The anticipated amount of the proposed bond issue, savings percentage, and savings amount are shown in the table below.

New Issue Size	\$53,270,000
PV Savings	\$3,450,673
PV Savings As % Refunded Bonds	5.77%
Avg. Annual Savings	\$464,328
Total Savings	\$10,215,203

As of May 20, 2015.

The refunding bonds will be issued in August or September 2015. Staff is bringing forward this request for approval from the Authority, and subsequently the Oversight Board, at this time due to the requirements for review by Department of Finance (DOF) as specified in AB 1484. The final disclosure documents of the proposed bond issues will be brought back to the Authority for approval after DOF has approved the legal documents and the preliminary financial analysis in August. The Board package includes our independent financial advisor's report as required by the DOF.

Impact on Citizens and Businesses

This item will be beneficial for the citizens of Riverside County due to the surplus tax revenue that will be derived from the refinancing at lower rates. Taxing entities will share the surplus property taxes from the project areas which will be distributed to the County, cities, schools, and special districts in Riverside County.

The savings in debt service payments that would otherwise be paid to bondholders will be distributed to those taxing entities including the County General Fund, K-12 school districts and community college districts, and finally cities and special districts.

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RESOLUTION NO. 2015-01

RESOLUTION OF THE RIVERSIDE COUNTY PUBLIC FINANCING
AUTHORITY AUTHORIZING THE ISSUANCE OF ITS 2015 SERIES
A TAX ALLOCATION REVENUE BONDS (PROJECT AREA NO. 1,
DESERT COMMUNITIES AND INTERSTATE 215 CORRIDOR
PROJECTS), IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO
EXCEED \$75,000,000, WITH RESPECT TO THE PURCHASE OF
REFUNDING BONDS OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE,
APPROVING AN INDENTURE OF TRUST, AUTHORIZING SALE OF
BONDS AND PROVIDING OTHER MATTERS PROPERLY RELATING
THERE TO

WHEREAS, the Authority is a joint powers authority duly
organized and existing under and pursuant to that certain Joint
Exercise of Powers Agreement dated March 20, 1990 by and between
the Redevelopment Agency for the County of Riverside (the
"Agency") and the County of Riverside (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 (the "Act"), and is authorized
pursuant to Article 4 of the Act (the "Bond Law") to borrow
money for the purpose of financing the acquisition of bonds,
notes and other obligations of, or for the purpose of making
loans to, local agencies (as such term is defined in the Bond
Law);

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE: 6/2/15

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WHEREAS, for the purpose of providing funds to purchase three separate issues of bonds (the "Successor Agency Bonds") of the Successor Agency to the Redevelopment Agency for the County of Riverside (the "Successor Agency") issued by the Successor Agency to refund certain bonds issued by the former Redevelopment Agency for the County of Riverside, the Authority intends to issue its 2015 Series A Tax Allocation Revenue Bonds (Project Area No. 1, Desert Communities and Interstate 215 Corridor Projects) (the "Authority Bonds");

WHEREAS, the Underwriters (as defined herein) have agreed to purchase the Authority Bonds in accordance with the bond purchase agreement in the form on file with the Secretary (the "Purchase Agreement"); and

WHEREAS, in connection with the offering of the Authority Bonds, the Authority will cause Best Best & Krieger LLP, its disclosure counsel, to prepare a form of Official Statement for the Authority Bonds containing material information relating to the Authority, the Successor Agency, the Authority Bonds and the Successor Agency Bonds, the preliminary form of which will be submitted to the Board for approval for distribution by the Underwriters to persons and institutions interested in purchasing the Authority Bonds;

WHEREAS, the Board has duly considered the transactions described above and wishes at this time to approve such

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transactions in the public interests of the Authority and the
Successor Agency;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by
the Board of Directors of the Riverside County Public Financing
Authority, as follows:

Section 1. Recitals True and Correct. The Authority hereby
finds and declares that the above recitals are true and correct.

Section 2. Issuance of Bonds. Under and pursuant to the
Act and the Indenture of Trust between the Authority and The
Bank of New York Mellon Trust Company, N.A. (the "Indenture")
pursuant to which the Authority Bonds will be issued, and for
the purposes above described, the Board hereby authorizes the
issuance of the Authority Bonds in the aggregate principal
amount of not to exceed \$75,000,000. The Board hereby approves
the Indenture in the form on file with the Secretary together
with any additions thereto or changes therein requested by the
provider of a municipal bond insurance policy for either the
Authority Bonds or the Successor Agency Bonds or a surety bond
or reserve policy for the Successor Agency Bonds or deemed
necessary or advisable by the Chairman, the Executive Director,
or the Deputy Executive Director of the Authority (each, a
"Designated Officer"), whose execution thereof shall be
conclusive evidence of approval of any such additions and
changes. The Designated Officers are hereby separately

1 authorized and directed to execute the final form of the
2 Indenture for and in the name and on behalf of the Authority.
3 Such changes and additions shall include, without limitation,
4 the insertion in the Indenture of the applicable final annual
5 maturities and final aggregate principal amount of the Authority
6 Bonds and the final annual interest rates payable with respect
7 thereto, as provided in the executed Purchase Agreement. The
8 Board hereby authorizes the delivery and performance of the
9 Indenture.
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11 **Section 3. Purchase of Agency Bonds.** The Authority hereby
12 approves the purchase of the Successor Agency Bonds in an
13 aggregate principal amount of not to exceed \$75,000,000 on the
14 terms and conditions set forth in the Indenture and the
15 Successor Agency Bonds Indenture (as such term is defined in the
16 Indenture).
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18 **Section 4. Sale of Authority Bonds.** The Board hereby
19 approves the selection of Citigroup Global Markets Inc. and
20 Stifel, Nicolaus & Company, Incorporated (collectively, the
21 "Underwriters"), and approves the sale of the Authority Bonds by
22 negotiation with the Underwriters pursuant to a Bond Purchase
23 Agreement by and among the Authority, the Successor Agency and
24 the Underwriters, in the form on file with the Secretary
25 together with any changes therein or additions thereto approved
26 by the Designated Officers, whose execution thereof shall be
27 conclusive evidence of approval of any such additions and
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1 changes; *provided, however,* that the purchase price and the
2 interest rates with respect to the Authority Bonds shall be such
3 that the Successor Agency Bonds comply with the savings
4 requirement set forth in Section 34177.5(a)(1) of the California
5 Health and Safety Code, and provided, further, that the
6 Underwriters' discount (exclusive of original issue discount),
7 shall not exceed one-half percent (0.5%) of the original
8 principal amount of the Authority Bonds.
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11 **Section 5. Official Statement.** In connection with the
12 offering of the Authority Bonds, the Authority will cause Best
13 Best & Krieger LLP, its disclosure counsel, to prepare a form of
14 Official Statement for the Authority Bonds containing material
15 information relating to the Authority, the Successor Agency, the
16 Authority Bonds and the Successor Agency Bonds, the preliminary
17 form of which will be submitted to the Board for approval for
18 distribution by the Underwriters to persons and institutions
19 interested in purchasing the Authority Bonds.
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21 **Section 6. Municipal Bond Insurance and Surety Bonds.** The
22 Designated Officers, each acting alone, are hereby authorized
23 and directed to obtain a municipal bond insurance policy for the
24 Authority Bonds and reserve account surety bond or reserve
25 policy for the Successor Agency Bonds from a municipal bond
26 insurance company if it is determined, upon consultation with
27 the Underwriters and C.M. de Crinis & Co. Inc., the Financial
28 Advisor to the Authority and the Successor Agency, that such

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municipal bond insurance policy and/or surety bond or reserve policy will reduce the true interest costs with respect to the Authority Bonds and the Successor Agency Bonds.

Section 7. Official Action. The Chairman, the Executive Director, the Deputy Executive Director, the Secretary, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions (including requisitions for the payment of costs of issuance of the Authority Bonds), agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Authority Bonds and the purchase of the Successor Agency Bonds. Each of the foregoing named officers of the Authority are authorized to act on behalf of any other officer of the Authority who is authorized and directed herein to act on behalf of the Authority.

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Section 8. - Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing resolution was passed and adopted by the Board of Directors of the Riverside County Public Financing Authority at a regular meeting held on the 16th day of June, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

(S E A L)

Attest:

By: _____
Secretary