

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 9/15/15



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

210

FROM: Executive Office

SUBMITTAL DATE:
 September 10, 2015

SUBJECT: Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2015A (Capital Improvement Projects Refunding), All, [\$300,000], Bond Proceeds 100%, **(Vote on Separately)**

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing with the Board of Supervisors per Section 6586.5 of the California Government Code;
2. Adopt Resolution No. 2015-217, approving the Issuance of the Riverside County Infrastructure Financing Authority Lease Revenue Bonds, Series 2015A (Capital Improvement Projects Refunding), authorizing the preparation and distribution of a Preliminary Official Statement and authorizing certain other actions in connection therewith be approved.

BACKGROUND:

Summary

In 2005 & 2006 the County of Riverside Asset Leasing Corporation (CORAL) issued tax-exempt certificates to fund certain improvements to build various facilities and refund the County's Historic Courthouse (the 2005B Historic Courthouse Refunding.)

Continued on page 2

Stephanie Persi
 Stephanie Persi
 Senior Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 300,000	\$ 0	\$ 300,000	\$ 0	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Bond Proceeds
 Budget Adjustment: No
 For Fiscal Year: 2015-16

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand*
 Ivan M. Chand

9/16/2015

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

9-4

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series
2015A (Capital Improvement Projects Refunding), All, [\$300,000], Bond Proceeds 100%, (Vote on
Separately)**

DATE: September 10, 2015

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

Current market conditions allow for a current refunding of the 2005 Series A and 2005 Series B certificates and an advance refunding of the 2006 series A Capital Improvement Projects certificates. The Riverside County Infrastructure Financing Authority (IFA) Lease Revenue Refunding Bonds, Series 2015A will be issued in an aggregate principal amount not to exceed \$87 million, depending on the amount of reserves funded for the bonds. Based on current market conditions, this can provide the County with approximately \$10.2 million in aggregate net present value savings or 11.4% of the aggregate refunded par amount. This exceeds the Board Policy B-24 requirement of at least a 3% savings threshold. In addition, this refunding will not extend the maturity date per the policy.

Staff recommends issuing the not to exceed amount of \$87 million in fixed interest rate bonds. The estimated aggregate gross savings are approximately \$11 million through the life of the bonds based on current market conditions. The average annual debt service on the refunding bonds is anticipated to be approximately \$5.2 million in aggregate.

This item has been approved by the Debt Advisory Committee.

This item also has a companion item on the Public Financing Authority agenda.

Impact on Citizens and Businesses

The savings achieved by the refunding will help to reduce the debt obligation of the County and therefore allow for resources to be redirected to services for the citizens.

SUPPLEMENTAL:

Additional Fiscal Information

The savings will be realized by the general fund, which pays the current debt service on these bond issues.

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RESOLUTION NO. 2015-217

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY OF NOT TO EXCEED \$87,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS, SERIES 2015A (CAPITAL IMPROVEMENT PROJECTS REFUNDING), APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE, A SITE LEASE AND A FACILITY LEASE, AND OTHER MATTERS RELATED THERETO

WHEREAS, the Riverside County Infrastructure 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 September 15, 2015 (the "Joint Powers Agreement"), by and between the County of Riverside (the "County") and the Riverside County Flood Control and Water Conservation District, 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 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 has expressed its desire to obtain interest cost savings by refunding all or a portion of the (i) County of Riverside Certificates of Participation, 2005 Series A (Capital Improvement and Family Law Court Refunding Projects) (the "2005A Certificates"), (ii) County of Riverside Certificates of Participation, 2005 Series B (Historic Courthouse Refunding) (the "2005B Certificates"), and (iii) County of Riverside Certificates of Participation, 2006 Series A (Capital Improvement Projects) (the "2006A Certificates" and, together with the 2005A Certificates and the 2005B Certificates, the "Refunded Certificates") (collectively, the "Refunding"); and

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner*
DATE: *9/14/15*
DALE A. GARDNER

1 WHEREAS, in order to provide the funds necessary for the Refunding, the County
2 and the Authority will enter into a Site Lease (the "Site Lease"), whereby the County will lease to the
3 Authority certain real property and the improvements located thereon (the "Leased Property"), and
4 the County and the Authority will enter into a Facility Lease (the "Facility Lease"), whereby the
5 County will sublease from the Authority the Leased Property; and

6
7 WHEREAS, pursuant to an Assignment Agreement (the "Assignment Agreement"),
8 the Authority will transfer certain of its rights, title and interests in and to the Site Lease and the
9 Facility Lease, including its right to receive base rental payments due under the Facility Lease, to
10 Wells Fargo Bank, National Association, a national banking association duly organized and existing
11 under and by virtue of the laws of the United States of America (the "Trustee"); and

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13 WHEREAS, pursuant to an Indenture (the "Indenture") by and among the County, the
14 Authority and the Trustee, the Authority will issue and deliver its Riverside County Infrastructure
15 Financing Authority Lease Revenue Refunding Bonds, Series 2015A (Capital Improvement Projects
16 Refunding), in an aggregate principal amount of not to exceed \$87,000,000 (the "Bonds"), the
17 proceeds of which will be used to finance the Refunding and related costs of issuance and, possibly, a
18 reserve fund; and

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

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23 WHEREAS, a portion of the proceeds of the Bonds will be deposited with the trustee
24 for the 2005A and 2005B Certificates and applied to the prepayment of such Certificates on or about
25 November 2, 2015, and a portion of the proceeds of the Bonds will be deposited with the escrow
26 agent (the "Escrow Agent") pursuant to the terms of an Escrow Agreement (the "Escrow
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1 Agreement”) between the County and the Escrow Agent, and applied to the prepayment of the 2006A
2 Certificates on or about November 1, 2016.

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4 WHEREAS, in connection with the issuance and delivery of the Bonds, the Authority
5 also desires to approve the form and distribution of a preliminary official statement (the “Preliminary
6 Official Statement”) and the form of a purchase contract (the “Purchase Contract”) among the
7 Authority, the County and the underwriters named therein (collectively, the “Underwriters”); and

8
9 WHEREAS, to fulfill the requirements of Rule 15c2-12 under the Securities Exchange
10 Act of 1934 (the “Rule”), the County and the Trustee will enter into a Continuing Disclosure
11 Agreement (the “Continuing Disclosure Agreement”), whereby the County will agree to provide
12 certain continuing disclosure reports; and

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

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19 WHEREAS, the County hereby finds that the Refunding will result in significant
20 public benefits in the form of lower interest costs; and

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22 WHEREAS, on this date, the County held a public hearing on the financing of the
23 Project in accordance with Section 6586.5 of the Government Code of the State of California (the
24 “Act”); and

1 WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was
2 published once at least five days prior to the hearing in a newspaper of general circulation in the
3 County; and

4
5 WHEREAS, there have been presented to this meeting proposed forms of the
6 following documents:

- 7 1. an Indenture;
- 8 2. a Site Lease;
- 9 3. a Facility Lease;
- 10 4. an Escrow Agreement;
- 11 5. a Purchase Contract;
- 12 6. a Preliminary Official Statement; and
- 13 7. a Continuing Disclosure Agreement;

14
15 NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY
16 THE COUNTY BOARD OF SUPERVISORS AS FOLLOWS:

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18 SECTION 1. Approval of Issuance of Bonds by the Authority. The issuance of the
19 Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations
20 specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i) the
21 aggregate principal amount of Bonds shall not exceed \$87,000,000, (ii) the maturity of the Bonds
22 shall not exceed November 1, 2037 and (iii) the net present value of the savings shall equal or exceed
23 3.00% of the par value of each Series of Refunded Certificates refunded.

24
25 SECTION 2. Approval of Indenture. The form of Indenture presented at this
26 meeting is hereby approved and the County Executive Officer, the Deputy County Executive Officer
27 and the County Finance Director, or his or her designee (each, an "Authorized Officer") are hereby
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1 authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge
2 and deliver the Indenture in substantially the form presented at this meeting with such changes
3 therein as the Authorized Officers executing the same may approve, such approval to be conclusively
4 evidenced by the execution and delivery thereof, including with respect to whether and what type(s)
5 of credit enhancement secures the Bonds, the amount, if any, to be deposited in a reserve fund for the
6 Bonds, or by other factors, as determined by the Authorized Officers in consultation with the
7 County's financial and legal consultants as being in the best interests of the Authority and the
8 County.

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

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

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

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4 SECTION 6. Approval of Purchase Contract. The form of Purchase Contract
5 presented at this meeting is hereby approved. Each Authorized Officer is hereby severally authorized
6 and directed to execute and deliver the Purchase Contract in substantially the form presented to this
7 meeting, with the Underwriters of the Bonds, with such changes therein as such Authorized Officer
8 shall approve as conclusively evidenced by the execution thereof; *provided, however,* that the
9 underwriting fee payable pursuant to the Purchase Contract shall not exceed 0.15% of the aggregate
10 principal amount of the Bonds and the maturity date, the principal amount of the Bonds and the
11 savings accomplished therefrom shall be as specified in Section 1 hereof.

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13 SECTION 7. Approval of Official Statement. The Preliminary Official Statement is
14 hereby approved and the same may be used and is hereby authorized to be used and distributed in the
15 market by the Underwriters incident to the marketing of the Bonds. Each Authorized Officer is
16 hereby authorized to (a) make such changes in such form of the Preliminary Official Statement as
17 such Authorized Officer, in consultation with County Counsel and the Underwriters, shall determine
18 to be appropriate, and (b) on behalf of the County, to deem such Preliminary Official Statement
19 “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). Each
20 Authorized Officer is authorized and directed to prepare a final Official Statement, with such
21 additional information as may be permitted to be excluded from the Preliminary Official Statement
22 pursuant to the Rule, which final Official Statement shall be executed and delivered in the name and
23 on behalf of the County by an Authorized Officer, and such Authorized Officer is authorized and
24 directed to prepare, execute and deliver in the name and on behalf of the County any supplemental
25 filings related to such final Official Statement.

1 SECTION 8. Approval of Continuing Disclosure Agreement. The form of
2 Continuing Disclosure Agreement presented at this meeting is hereby approved and each Authorized
3 Officer is hereby authorized and directed, for and in the name of and on behalf of the County, to
4 execute, acknowledge and deliver the Continuing Disclosure Agreement in substantially the form
5 presented at this meeting with such changes therein as the Authorized Officer executing the same
6 may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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8 SECTION 9. Other Acts. The officers and staff of the County are hereby authorized
9 and directed, jointly and severally, to do any and all things, to execute and deliver any and all
10 documents, which in consultation with Counsel to the County or with Nixon Peabody LLP, the
11 County and Authority's bond counsel, they may deem necessary or advisable in order to effectuate
12 the purposes of this Resolution, including without limitation, negotiating the terms of a bond
13 insurance policy and/or a reserve fund surety bond to the extent such insurance and/or surety bond is
14 determined to be economically advantageous, and any and all such actions previously taken by such
15 officers or staff members are hereby ratified and confirmed.

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17 SECTION 10. Effective Date. This Resolution shall take effect upon adoption.

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19 PASSED and ADOPTED this September 22, 2015.

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