

FORM APPROVED COUNTY COUNSEL
 BY: *[Signature]* 8/11/16
 DATE: GREGORY P. PRIAMOS

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

387



FROM: Executive Office

SUBMITTAL DATE:
 August 11, 2016

SUBJECT: Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A and Series A-T (Taxable), All, [\$225,000], Bond Proceeds 100%, **(Vote on Separately)**

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing pursuant to Section 6586.5 of the Government Code on the proposed issuance of bonds, making a finding of significant public benefit in connection with the issuance, and upon the closing of the hearing;
2. Adopt resolution 2016-185 approving the issuance of the \$39.785 million Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds 2016 Series A and Series A-T (Federally Taxable), for the financing of certain public capital projects, approving the execution and delivery of a site lease and a lease agreement, and other matters related thereto, and;
3. Authorize the Executive Office to execute the Agreement with Jones Hall, A Professional Law Corporation, for bond counsel services.

BACKGROUND:
Summary

Continued on pg 2

[Signature]
 Stephanie Persi
 Principal Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 225,000	\$ 0	\$ 225,000	\$ 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: 2016-17

C.E.O. RECOMMENDATION:

APPROVE
 BY: *[Signature]* 8/15/2016
 Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A and Series A-T (Taxable), All, [\$225,000], Bond Proceeds 100%, (Vote on Separately)

DATE: August 11, 2016

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

The 2016 Series Bonds are being issued to refund \$40,680,000 in bonds issued by the Riverside County Palm Desert Financing Authority (RCPDFA) in 2008 (the 2008A Bonds) to fund the construction of the Palm Desert Sheriff's Station, acquire the Bermuda Dunes Park site and the North Palm Springs Multi-Service Center. The refunding is an advanced refunding. With the exception of the Bermuda Dunes Park site, the lease assets will remain the same. The refunding will also provide \$11.3 million in new money for County projects. The existing Debt Service Reserve Fund and unspent Project Fund will be applied to the refunding escrow and a like amount re-borrowed as new money. This structure is required by bond counsel. The term of the bonds is being extended to benefit the County Budget. Annual refunding portion of the debt service will be about \$2.8 million through 2031 compared to current annual debt service of \$8.2 million through 2022. The approximate cash flow savings are \$34 million through 2022 and NVP savings are \$1.2 million over the term of the issue, purposely structured to be 3% + of the refunded bonds. This meeting the Board Policy B-24 requirement of at least a 3% savings threshold. This financing is designed to assist the County in managing its shorter term budget priority while also generating minimally required net present value (NPV) savings. The 2016 Series Bonds are secured by County leases of four facilities which include Palm Desert Sheriff Station, North Palm Springs Multi-Service Center, Mecca Library and Sheriff Station and the Rubidoux Family Care Center.

The Riverside County Palm Desert Financing Authority (PDFFA) was established in the 1990's to capture tax increment pass through revenues for the benefit of the desert communities that would have otherwise gone to the County General Fund. The PDFFA is a joint powers authority comprised of the County and the now dissolved 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, which is used to pay the bonds. Utilizing the RCPDFA is not necessary and no longer beneficial. Therefore, the County has deemed its own Infrastructure Financing Authority as the most appropriate issuing entity.

This item has been approved by the Debt Advisory Committee.

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.