

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

226



FROM: Economic Development Agency

SUBMITTAL DATE:
June 10, 2010

SUBJECT: California Municipal Finance Authority-Cardenas Three, LLC

RECOMMENDED MOTION: That the Board of Supervisors conduct a Public Hearing and adopt Resolution No. 2010-193, approving the issuance, by the California Municipal Finance Authority of Industrial Revenue Bonds, for Cardenas Three, LLC.

BACKGROUND: According to the provisions of the California Government Code, Section 6500 et seq., and the terms of a Joint Exercise of Powers Agreement (Agreement), the California Municipal Finance Authority (Authority) is authorized to issue Revenue Bonds (Bonds) for the purpose of promoting economic development in the state of California. The Authority is among local agencies throughout the State of California, including the County of Riverside, to issue such Bonds.

(Continued)

FOR UNAPPROVED COUNTY COUNSEL
BY: Dale A. Gardner 6/9/10
DATE
Departmental Concurrence

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:

County Executive Office Signature

Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried,
IT WAS ORDERED that the above matter is approved as recommended .

Ayes: Buster, Benoit and Ashley
Nays: None
Absent: Tavaglione and Stone
Date: June 22, 2010
xc: EDA, CMFA, Atty.

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

Prev. Agn. Ref.: N/A

District: 2

Agenda Number:

9.7

BACKGROUND: (Continued)

The County of Riverside has been a member of the Authority since September of 2007. Pursuant to the Agreement and the Internal Revenue Code, the member agencies must conduct a Public Hearing and approve the Authority's issuance of indebtedness for projects located in the member agency's jurisdiction.

Cardenas Three, LLC, has requested that the Authority serve as the municipal issuer of the Bonds, in an aggregate principal amount not to exceed \$6,000,000, of tax-exempt Revenue Bonds. Proceeds from the issuance of the Bonds will be applied to finance or refinance the acquisition, rehabilitation and equipping of certain manufacturing and other related facilities for the benefit of Cardenas Three, LLC. Cardenas Three, LLC, has acquired a facility, located at 11058 Philadelphia Avenue in the community of Mira Loma, to be used for meat processing and food refrigeration.

Attachment

RESOLUTION NO. 2010-193

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
APPROVING THE ISSUANCE BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY
OF REVENUE BONDS FOR THE BENEFIT OF CARDENAS THREE, LLC (OR AN
AFFILIATE THEREOF)

WHEREAS, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), in order to form the California Municipal Finance Authority (the "Authority") for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the acquisition, installation, development and construction of capital projects, including equipment; and

WHEREAS, Cardenas Three, LLC, a California limited liability company (the "Borrower"), has requested that the Authority issue and sell revenue bonds in the maximum principal amount of Six Million Dollars (\$6,000,000) (the "Bonds") for the purpose of making a loan to the Borrower, to enable the Borrower to finance or refinance the costs of the acquisition, rehabilitation and equipping of a new meat processing and food refrigeration facility (the "Project"), all to be located in the County of Riverside (the "County"), California, at 11058 Philadelphia; and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that an "applicable elected representative" of the governmental unit, the geographic jurisdiction of which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

APPROVED COUNTY COUNSEL

DATE 6/19/10
JILL A GARDNER

1 **WHEREAS**, the Authority has determined that the Board of Supervisors of the County
2 (the "Board") is an "applicable elected representative" for purposes of holding such hearing;
3 and

4 **WHEREAS**, the Authority has requested that the Board approve the issuance of the
5 Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of
6 the Code and the requirements of Section 4 of the Agreement; and

7 **WHEREAS**, notice of such public hearing has been duly given as required by the
8 Code, and this Board has heretofore held such public hearing at which all interested persons
9 were given an opportunity to be heard on all matters relative to the financing or refinancing of
10 the Project and the Authority's issuance of the Bonds therefore; and

11 **WHEREAS**, it is in the public interest and for the public benefit that the Board approve
12 the issuance of the Bonds by the Authority for the aforesaid purposes;

13 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE**
14 **COUNTY OF RIVERSIDE, AS FOLLOWS:**

15 **Section 1.** The above recitals are true and correct.

16 **Section 2.** The Board of Supervisors hereby approves the issuance of the Bonds by
17 the Authority. It is the purpose and intent of the Board that this resolution constitute approval
18 of the issuance of the Bonds (a) by the "applicable elected representative" of the
19 governmental unit having jurisdiction over the area in which the Project is or is to be located in
20 accordance with Section 147(f) of the Code and (b) by the Board of Supervisors in
21 accordance with Section 4 of the Agreement.

22 **Section 3.** The issuance of the Bonds shall be subject to the approval of the
23 Authority of all financing documents relating thereto to which the Authority is a party. The
24 County shall have no responsibility or liability whatsoever with respect to the Bonds.

25 **Section 4.** The adoption of this resolution shall not obligate the County or any
26 department thereof to (i) provide any financing to acquire, install or construct the Project or
27 any refinancing of the Project; (ii) approve any application or request for or take any other
28 action in connection with any planning approval, permit or other action necessary for the

1 acquisition, installation or operation of the Project; (iii) make any contribution or advance any
2 funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority
3 or its membership therein.

4 **Section 5.** The executing officers, the Clerk of the Board of Supervisors and all other
5 proper officers and officials of the County are hereby authorized and directed to execute such
6 other agreements, documents and certificates, and to perform such other acts and deeds, as
7 may be necessary or convenient to effect the purposes of this resolution and the transactions
8 herein authorized.

9 **Section 6.** The Clerk of the Board of Supervisors shall forward a certified copy of this
10 resolution to the Authority in care of its counsel:

11 Harriet M. Welch, Esq.

12 Squire, Sanders & Dempsey LLP.

13 555 South Flower Street, Suite 3100

14 Los Angeles, CA 90071-2300

15 **Section 7.** This resolution shall take effect immediately upon its passage.

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ADOPTED by the Board of Supervisors of the County of Riverside at a regular meeting
of said Board held on the 22nd day of June, 2010, by the following vote:

AYES: Buster, Benoit and Ashley

NOES: None

ABSTAIN: None

ABSENT: Tavaglione and Stone

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

Deputy

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THE PRESS-ENTERPRISE

3450 Fourteenth Street
Riverside CA 92501-3878
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P.)**

Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: PH - Cardenas TEFRA Notice

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673 and under date of August 25, 1995, Case Number 267864; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

06-05-10

I Certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: Jun. 5, 2010
At: Riverside, California



LEE, RONALD E
803 SECOND STREET, SUITE D
DAVIS CA 95616

Ad #: 10287381

PO #:

Agency #: _____

Ad Copy:

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on June 22, 2010, a public hearing as required by Section 147(h) of the Internal Revenue Code of 1986 will be held with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its revenue bonds in one or more series in an amount not to exceed \$6,000,000 (the "Bonds"). The proceeds of the Bonds will be used to: (1) finance all or a portion of the costs of the acquisition, rehabilitation and equipping of an approximately 70,000 square foot meat processing and food refrigeration facility (the "Project"), all to be located at 11058 Philadelphia Avenue in Mira Loma, California, an unincorporated community in the County of Riverside (the "County"), California; and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The Project is to be owned by Cardenas Three, LLC, a limited liability company organized and existing under the laws of the State of California, or an affiliate thereof (the "Borrower"), and leased to Del Real, LLC and Cardenas Markets Inc. The Borrower has submitted an application to the Authority for the financing of the Project through the issuance of the Bonds, and reference is made to such application for further particulars.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

The hearing will commence at 9:00 a.m. or as soon thereafter as the matter can be heard, and will be held in the Board Chambers, County Administrative Center, 4080 Lemon Street, Riverside, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed may attend the public hearing or, prior to the time of the hearing, submit written comments. Additional information concerning the above matter may be obtained from, and written comments should be addressed to, Clerk of the Board of Supervisors, County of Riverside, 4080 Lemon Street, First Floor, Riverside, California 92501.

Dated: June 5, 2010 6/5