

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

646



FROM: Economic Development Agency

SUBMITTAL DATE:
July 15, 2010

SUBJECT: California Municipal Finance Authority - Eisenhower Medical Center

RECOMMENDED MOTION: That the Board of Supervisors conduct a Public Hearing and adopt Resolution No. 2010-222, approving the issuance by the California Municipal Finance Authority of Revenue Bonds for the Eisenhower Medical Center.

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)

Lisa Brandl for

Robert Field
Assistant County Executive Officer/EDA
By Lisa Brandl, Assistant 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:	2010/11

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: *Jennifer L. Sarger*
Jennifer L. Sarger

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: July 27, 2010
xc: EDA, Authority

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: N/A

District: 4

Agenda Number:

3.28

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL

BY: *Dale A. Gardner* DATE: 7/15/10

Departmental Concurrence

Policy

Policy

Consent

Consent

Dep't Recomm.:

Per Exec. Ofc.:

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.

Eisenhower Medical Center has requested that the Authority serve as the municipal issuer of the Bonds in an aggregate principal amount not-to-exceed \$125,000,000 of tax-exempt Revenue Bonds. The proceeds of the bonds will be used to finance and refinance the construction, improvement, renovation, and equipping of certain health care facilities that are owned and operated by Eisenhower Medical Center (the "Borrower") and located (a) on the main hospital campus of the Borrower, on which is situated a 313-bed acute care hospital, at 39000 Bob Hope Drive, Rancho Mirage, California 92270, including, but not limited to, the Walter and Leonore Annenberg Pavilion, a 248-bed addition to the acute care hospital, and (b) at the Eisenhower George and Julia Argyros Health Center, a 93,000 square foot outpatient care, imaging/laboratory, wellness and physician office center located at 45280 Seeley Drive, La Quinta, California 92253. The Borrower is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

Attachment

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RESOLUTION NO. 2010-222

**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 EISENHOWER
MEDICAL CENTER**

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, Eisenhower Medical Center (the "Borrower"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), has requested that the Authority issue one or more series of revenue bonds in an aggregate principal amount not-to-exceed One Hundred and Twenty-Five Million Dollars (\$125,000,000) (the "Bonds"), the proceeds of which would be loaned to the Borrower to finance and refinance the construction, improvement, renovation, and equipping of certain health care facilities of the Borrower (the "Project") that are owned and operated by the Borrower and located in the County of Riverside (the "County"), California (a) on the main hospital campus of the Borrower, on which is situated a 313-bed acute care hospital, at 39000 Bob Hope Drive, Rancho Mirage, California 92270, including, but not limited to, the Walter and Leonore Annenberg Pavilion, a 248-bed addition to the acute care hospital, and (b) at the Eisenhower George

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner*
DALE A. GARDNER
DATE: 7/14/10

1 and Julia Argyros Health Center, a 93,000 square foot outpatient care, injury/laboratory,
2 wellness and physician office center located at 45280 Seeley Drive, La Quinta, California
3 92253; and

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

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

13 **WHEREAS**, the Authority has requested that the Board approve the issuance of
14 the Bonds by the Authority in order to satisfy the public approval requirement of Section
15 147(f) of the Code and the requirements of Section 4 of the Agreement; and

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

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

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

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

25 **Section 2.** The Board of Supervisors hereby approves the issuance of the
26 Bonds by the Authority. It is the purpose and intent of the Board that this resolution
27 constitute approval of the issuance of the Bonds (a) by the "applicable elected
28 representative" of a governmental unit on behalf of which the Authority is issuing the

1 Bonds and which has jurisdiction over the area in which the Project is or will be located in
2 accordance with Section 147(f) of the Code and (b) by the Board of Supervisors in
3 accordance with Section 4 of the Agreement.

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

7 **Section 4.** The adoption of this resolution shall not obligate the County or any
8 department thereof to (i) provide any financing to acquire, install or construct the Project
9 or any refinancing of the Project; (ii) approve any application or request for or take any
10 other action in connection with any planning approval, permit or other action necessary
11 for the acquisition, installation or operation of the Project; (iii) make any contribution or
12 advance any funds whatsoever to the Authority; or (iv) take any further action with respect
13 to the Authority or its membership therein.

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

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

21 Brian P. Forbath
22 Stradling Yocca Carlson & Rauth
23 660 Newport Center Drive, Suite 1600
24 Newport Beach, CA 92660

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

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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 - Eisenhower Medical Center

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:

07-12-10

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

Date: Jul. 12, 2010
At: Riverside, California



SIDLEY AUSTIN LLC
555 CALIFORNIA ST
SAN FRANCISCO CA 94104

Ad #: 10325850

PO #:

Agency #: _____

Ad Copy:

**NOTICE OF
PUBLIC HEARING
PURSUANT TO
SECTION 147(f)
OF THE INTERNAL
REVENUE CODE OF
1986, AS AMENDED OF
THE COUNTY OF
RIVERSIDE FOR THE
FINANCING AND
REFINANCING OF
CERTAIN HEALTH
CARE FACILITY
PROJECTS WITH
PROCEEDS FROM
THE SALE OF
TAX-EXEMPT BONDS**

Notice is hereby given that on Tuesday, July 27, 2010, a public hearing as required by Section 147(f) 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 a principal amount not to exceed \$125,000,000 (the "Bonds"). The proceeds of the bonds will be used to finance and refinance the construction, improvement, renovation and equipping of certain health care facilities that are owned and operated by Eisenhower Medical Center (the "Borrower") and located (a) on the main hospital campus of the Borrower, on which is situated a 313-bed acute care hospital, at 39000 Bob Hope Drive, Rancho Mirage, California 92270, including, but not limited to, the Walter and Leonore Annenberg Pavilion, a 249-bed addition to the acute care hospital, and (b) at the Eisenhower George and Julia Argyros Health Center, a 93,000 square foot outpatient care, imaging, laboratory, wellness and physician office center located at 45280 Selsey Drive, La Quinta, California 92253. The Borrower is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

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 herefor 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, the Clerk of the Board of

Supervisors, County of Riverside, 4080 Lemon Street, First Floor, Riverside, California 92501.
Dated: July 12, 2010. 7/12