

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

828



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
November 18, 2010

**SUBJECT:** Transferring \$7,000,000 of the County of Riverside Recovery Zone Facility Bond Allocation to the City of Riverside in Order to Finance a Portion of the Fox Parking Structure.

**RECOMMENDED MOTION:** That the Board of Supervisors:

Adopt Resolution No. 2010-324, transferring \$7,000,000 of the County of Riverside Recovery Zone Facility Bond allocation to the City of Riverside in order to finance a portion of the Fox Parking Structure.

**BACKGROUND:** As part of the American Recovery and Reinvestment Act of 2009, new provisions were added to the Internal Revenue Code of 1986 allowing public agencies to create Recovery Zones for the purpose of issuing public and private bonds. These bonds are intended to stimulate the economy in the Recovery Zones. On July 21, 2009, the Board of Supervisors adopted Resolution No. 2009-255, designating the entire county as a Recovery Zone.

(Continued)

*Robert Field*

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

*Jennifer L. Sargent*  
By: Jennifer L. Sargent

**County Executive Office Signature:** Jennifer L. Sargent

**MINUTES OF THE BOARD OF SUPERVISORS**

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

**Ayes:** Buster, Tavaglione, Stone, Benoit and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** December 7, 2010  
**xc:** EDA

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

**Prev. Agn. Ref.:** 7/21/09, Item 3.102

**District:** 2

**Agenda Number:**

**3.10**

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner 11/23/10  
DATE: DALE A. GARDNER

Dep't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

Economic Development Agency

Transferring \$7,000,000 of the County of Riverside Recovery Zone Facility Bond Allocation to the City of Riverside in Order to Finance a Portion of the Fox Parking Structure.

November 18, 2010

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**BACKGROUND:** (Continued)

Recovery Zone Facility Bonds are tax-exempt, private activity bonds which allow issuers to provide financing for projects such as large manufacturing plants, distribution centers, research facilities, etc. Riverside County's allocation of Recovery Zone Facility Bonds is \$74,702,000.

In September 2009, the Economic Development Agency issued a Request for Proposals (RFP) for projects seeking bond financing. The Facility Bond RFP received several responses but unfortunately most of the projects were unable to qualify under the program requirements. In the last few months, a request for allocation came from the City of Riverside for \$7,000,000 of allocation for a project located in the downtown area of the city. The project consists of design, development, construction, installation and equipping of a three-story parking structure containing approximately four hundred (400) parking spaces, a public theater and approximately 12,000 square feet of street-level retail space.

The Resolution is adopted for the purpose of facilitating the allocation transfer in accordance with the Department of the Treasury and California Government Code requirements.

Attachment:  
Resolution 2010-324

RF:LB:SM:RM 10289

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3 **RESOLUTION NO. 2010-324**

4 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**  
5 **TRANSFERRING \$7,000,000 OF THE COUNTY OF RIVERSIDE RECOVERY ZONE FACILITY**  
6 **BOND ALLOCATION TO THE CITY OF RIVERSIDE FOR THE PURPOSE OF FINANCING A**  
7 **PORTION OF THE COST OF THE DESIGN, DEVELOPMENT, CONSTRUCTION,**  
8 **INSTALLATION AND EQUIPPING THE FOX PARKING STRUCTURE LOCATED AT**  
9 **MARKET AND SIXTH STREETS AND OTHER MATTERS RELATING THERETO HEREIN**  
10 **SPECIFIED**

11 **WHEREAS**, pursuant to Resolution No. 2009-255, the Board of Supervisors of the  
12 County of Riverside, California (the "County") designated the County of Riverside Recovery  
13 Zone (the "Recovery Zone");

14 **WHEREAS**, the County has received volume cap under Section 1400U-1(a)(3)(A) of  
15 the Internal Revenue Code of 1986 (the "Code");

16 **WHEREAS**, Section 5.04 of Internal Revenue Service Notice 2009-50 authorizes cities  
17 that receive recovery zone facility bond volume cap to allocate such volume cap to ultimate  
18 beneficiaries in any reasonable manner as they shall determine in good faith in their discretion  
19 for use for eligible costs for recovery zone property;

20 **WHEREAS**, the City of Riverside (the "City") is undertaking the design, development,  
21 construction, installation and equipping of a commercial development consisting of a three-  
22 story parking structure containing approximately four hundred (400) parking spaces, a public  
23 theater and approximately 12,000 square feet of street-level retail space to be located at 3605  
24 Market Street, Riverside, California (collectively, the "Facilities");

25 **WHEREAS**, the City has requested that the County provide an allocation of Seven  
26 Million Dollars (\$7,000,000) in recovery zone facility bond volume cap to finance a portion of  
27 the cost of the Facilities attributable to the private use portion of the Facilities;

28 **WHEREAS**, the Facilities are located within the territorial limits of County and the Board  
of Supervisors of the County (the "Board of Supervisors") is the elected legislative body of the  
County; and

FORM APPROVED COUNTY COUNSEL  
BY Dale A. Gardner 11/23/10  
DATE DALE A. GARDNER

1           **WHEREAS**, the Facilities are expected to provide significant benefits to the residents of  
2 the County and visitors to the County through the provision of additional parking facilities in the  
3 downtown area, will foster increased economic development in the County and will create  
4 employment opportunities for residents of the County over the long term;

5           **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board  
6 of Supervisors of the County as follows:

7           **Section 1.** The Board of Supervisors hereby finds and determines that all of the recitals  
8 are true and correct.

9           **Section 2.** The County hereby transfers Seven Million Dollars (\$7,000,000) of its  
10 recovery zone facility bond volume cap under Section 1400U-1(a)(3)(A) of the Code (the  
11 "Allocation") to the City for use in financing the Facilities.

12           **Section 3.** The City is hereby authorized to use the Allocation to issue bonds or other  
13 obligations (the "Obligations") pursuant to the provisions of Section 1400U-3 of the Code and  
14 apply the proceeds of the Obligations to finance the design, development, construction,  
15 installation and equipping of the Facilities and to pay costs of issuance of the Obligations. The  
16 County shall not bear any responsibility for the tax-exempt status of the Obligations, the  
17 repayment of the Obligations or any other matter related to the Obligations.

18           **Section 4.** The City shall give written notice to the County within ten (10) business  
19 days of issuance of the Obligations.

20           **Section 5.** All actions heretofore taken by the officers, employees and agents of the  
21 County with respect to the transfer of the Allocation to the City are hereby approved, confirmed  
22 and ratified, and the officers and employees of the County and their authorized deputies and  
23 agents are hereby authorized and directed, jointly and severally, to do any and all things and to  
24 execute and deliver any and all certificates and documents which they or bond counsel may  
25 deem necessary or advisable in order to consummate the transfer of the Allocation to the City  
26 and otherwise to effectuate the purposes of this Resolution.

27           **Section 6.** This Resolution shall take effect from and after its adoption.

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**PASSED, APPROVED, AND ADOPTED** at a meeting of the Board of Supervisors of  
the County of Riverside on December 7, 2010, by the following vote:

- AYES: Buster, Tavaglione, Stone, Benoit and Ashley
- NOES: None
- ABSENT: None
- ABSTAIN: None

The foregoing is certified to be a true copy of a resolution duly  
adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

PAMELA J. WALLS  
County Counsel

By \_\_\_\_\_  
Deputy