

829



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

FROM: Economic Development Agency

SUBMITTAL DATE:
November 18, 2010

SUBJECT: Transferring of the County of Riverside Recovery Zone Facility Bond Allocation to the California Enterprise Development Authority and Approving the Issuance by the California Enterprise Development Authority of \$37,200,000 of bonds for the benefit of Regional Properties, Inc.

RECOMMENDED MOTION: That the Board of Supervisors:

Adopt Resolution No. 2010-323, transferring of the County of Riverside Recovery Zone Facility Bond allocation to the California Enterprise Development Authority and approving the issuance by the California Enterprise Development Authority of \$37,200,000 of bonds for the benefit of Regional Properties, Inc.

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
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:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	

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

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:
Deputy

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 11/25/10
DATE: 11/25/10

Dept' Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Economic Development Agency

Transferring of the County of Riverside Recovery Zone Facility Bond Allocation to the California Enterprise Development Authority and Approving the Issuance by the California Enterprise Development Authority of \$37,200,000 of bonds for the benefit of Regional Properties, Inc.

November 18, 2010

Page 2

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 Regional Properties, Inc. which is under construction on a project located in the city of Riverside. The project consists of a six-story, 140,000 square foot office building with four levels of subterranean parking located in the downtown area of the city.

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 2010-323

RF:LB:SM:RM 10289

s:\edcom\economic development\2009 arra funding\recovery zone\city of riverside\regional prop allocation transfer f11 11.10.doc

2
3 **RESOLUTION NO. 2010-323**

4 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**
5 **TRANSFERRING \$37,200,000 OF THE COUNTY OF RIVERSIDE RECOVERY ZONE**
6 **FACILITY BOND ALLOCATION TO THE CALIFORNIA ENTERPRISE DEVELOPMENT**
7 **AUTHORITY, APPROVING THE ISSUANCE BY CALIFORNIA ENTERPRISE**
8 **DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$37,200,000 AGGREGATE PRINCIPAL**
9 **AMOUNT OF THE AUTHORITY'S REVENUE OBLIGATIONS FOR THE PURPOSE OF**
10 **FINANCING THE COST OF CONSTRUCTION, INSTALLATION, EQUIPPING AND**
11 **FURNISHING OF COMMERCIAL FACILITIES FOR THE BENEFIT OF REGIONAL**
12 **PROPERTIES, INC., PROVIDING THE TERMS AND CONDITIONS FOR SUCH**
13 **OBLIGATIONS AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

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

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

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

23 **WHEREAS**, Regional Properties, Inc., a corporation duly organized and existing under
24 the laws of the State of California (the "Applicant"), has submitted and the California Enterprise
25 Development Authority (the "Authority") has accepted, an application requesting the Authority
26 to issue, from time to time, pursuant to a plan of finance, its tax-exempt and/or taxable revenue
27 obligations in an aggregate principal amount not-to-exceed Thirty-Seven Million Two Hundred
28 Thousand Dollars (\$37,200,000) (the "Obligations") for the benefit of the Applicant and/or a
related or successor entity (the "Borrower") pursuant to Chapter 5 of Division 7 of Title 1 of the
Government Code of the State, (commencing with Section 6500) (the "Act") the proceeds of
which will be used in part to finance or reimburse the Borrower for the cost of construction,
installation, equipping and furnishing a six-story, 140,000 square foot office building with four

FORM APPROVED COUNTY COUNSEL
BY: [Signature] 11/23/10
DATE: 11/23/10
BY: [Signature] 11/23/10
DATE: 11/23/10

1 levels of subterranean parking located at 3390 University Avenue, Riverside, California 92522
2 (collectively, the "Facilities") and the payment certain costs of issuance in connection with the
3 Obligations;

4 **WHEREAS**, the Borrower has requested that the County provide an allocation of
5 \$37,200,000 in recovery zone facility bond volume cap to finance the Facilities and has
6 requested that such allocation be transferred by the County to the Authority for the purpose of
7 issuing the Obligations to finance the Facilities;

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

11 **WHEREAS**, the Facilities are expected to provide significant benefits to the residents
12 of the County through the services to be provided by the Borrower and the Facilities will also
13 create employment opportunities for residents of the County over the long term; and

14 **WHEREAS**, the Authority's issuance of the Obligations will result in a more
15 economical and efficient issuance process because of the Authority's expertise in the
16 issuance of conduit revenue bonds.

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

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

21 **Section 2.** The County hereby transfers Thirty-Seven Million Two Hundred Thousand
22 Dollars (\$37,200,000) of its recovery zone facility bond volume cap under Section 1400U-
23 1(a)(3)(A) of the Code (the "Allocation") to the Authority for the benefit of the Borrower for use
24 in financing the Facilities.

25 **Section 3.** The Authority is hereby authorized to use the Allocation to issue the
26 Obligations under Section 1400U-3 of the Code and loan the proceeds thereof to the Borrower
27 to finance the construction, renovation, installation and equipping of the Facilities and to pay
28 costs of issuance of the Obligations. The County shall not bear any responsibility for the tax-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

exempt status of the Obligations, the repayment of the Obligations or any other matter related to the Obligations.

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

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

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

///
///
///

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

3
4 AYES: Buster, Tavaglione, Stone, Benoit and Ashley

5 NOES: None

6 ABSENT: None

7 ABSTAIN: None

8

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

11 KECIA HARPER-IHEM, Clerk of said Board

12 By: _____
Deputy

13

14

15

16

17

18

19

20 **APPROVED AS TO FORM:**

21 PAMELA J. WALLS
22 County Counsel

23

24 By _____
25 Deputy

26

27

28 s:\edcom\economic development\2009 arra funding\recovery zone\city of riverside\regional prop allocation tranf res 11.10.doc