

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 8/10/16

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE RIVERSIDE
 COUNTY INFRASTRUCTURE FINANCING AUTHORITY
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**
386



SUBMITTAL DATE:
 August 10, 2016

FROM: Executive Office

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 Directors:

1. Adopt resolution 2016-02 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), approving the execution and delivery of a site lease and a lease agreement, and other matters related thereto.

BACKGROUND:

Summary

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.

Continued on pg 2

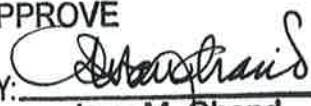

 Stephanie Persi
 Principal Management Analyst

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 <input checked="" type="checkbox"/> 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:

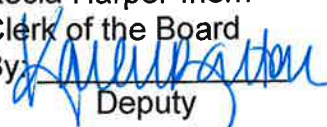
APPROVE
 BY: 
 Ivan M. Chand 8/10/2016

County Executive Office Signature

MINUTES OF THE BOARD OF DIRECTORS OF THE INFRASTRUCTURE FINANCING AUTHORITY

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: August 23, 2016
xc: E.O.

Kecia Harper-Ihem
 Clerk of the Board
 By: 
 Deputy

(Comp. Item 9-1)

Pre. Agn. Ref.: 10/21/08 9.1 | District: All | Agenda Number:

5-1 C

- A-30
- Positions Added
- 4/5 Vote
- 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 10, 2016

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

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 (PDFA) 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 PDFA 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. 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.

2
3 **RESOLUTION NO. 2016 – 02**

4
5 **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE COUNTY**
6 **INFRASTRUCTURE FINANCING AUTHORITY APPROVING THE ISSUANCE OF NOT TO EXCEED**
7 **\$45,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS 2016**
8 **SERIES, APPROVING THE EXECUTION AND DELIVERY OF A SITE LEASE AND A LEASE**
9 **AGREEMENT, AND OTHER MATTERS RELATED THERETO**

10
11 **WHEREAS**, the Riverside County Infrastructure Financing Authority (the "Authority") is a joint
12 exercise of powers authority, duly organized and existing under and pursuant to that certain Joint
13 Exercise of Powers Agreement, dated as of September 15, 2015 (the "Joint Powers Agreement"), by and
14 between the County of Riverside (the "County") and the Riverside County Flood Control and Water
15 Conservation District, and under the provisions of Articles 1 through 4 (commencing with Section 6500)
16 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and is
17 authorized and empowered pursuant to Article 4 (commencing with Section 6584) of the Act to issue
18 bonds for the purposes of financing and refinancing public capital improvements;

19 **WHEREAS**, the County has expressed its desire to provide for the (i) refinancing of certain public
20 improvements (the "2008 Project") previously acquired, constructed and installed pursuant to the
21 provisions of a Sublease, dated as of November 1, 2008, by and between the County and the Riverside
22 County Palm Desert Financing Authority, and (ii) financing of public capital improvements for the County
23 consisting of the following (collectively, the "2016 Project"): (a) the rehabilitation, including but not limited
24 to seismic retrofitting, of the County-owned building located at 4075 Main Street in the City of Riverside
25 for use by the County's Law Offices of the Public Defender and (b) any other public improvements
26 selected by the County;

FORM APPROVED COUNTY COUNSEL

BY: Dale A. Gardner 8/10/16

DALE A. GARDNER DATE

1 **WHEREAS**, in order to provide the funds necessary to refinance the 2008 Project and finance the 2016
2 Project, the County and the Authority will enter into a Site Lease (the "Site Lease"), whereby the County
3 will lease to the Authority all or a portion of the real property, and the improvements located thereon,
4 listed at Exhibit A hereto (collectively, the "Leased Property"), and the County and the Authority will enter
5 into a Lease Agreement (the "Lease"), whereby the County will sublease from the Authority the Leased
6 Property;

7 **WHEREAS**, pursuant to an assignment agreement (the "Assignment Agreement"), the Authority
8 will transfer certain of its rights, title and interests in and to the Site Lease and the Lease, including its
9 right to receive lease payments due under the Lease, to U.S. Bank National Association, a national
10 banking association duly organized and existing under and by virtue of the laws of the United States of
11 America (the "Trustee");

12 **WHEREAS**, pursuant to an Indenture of Trust (the "Indenture"), between the Authority and the
13 Trustee, the Authority will issue and deliver its Riverside County Infrastructure Financing Authority Lease
14 Revenue Refunding Bonds, 2016 Series A (the "Series A Bonds"), and its Riverside County
15 Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A-T (Federally
16 Taxable) (the "Taxable Series A-T Bonds" and, together with the Series A Bonds, the "Bonds"), in a
17 combined aggregate principal amount of not to exceed \$45,000,000, the proceeds of which will be used
18 to (i) refinance the 2008 Project through the refunding of the outstanding Riverside County Palm Desert
19 Financing Authority Lease Revenue Bonds (County Facilities Projects) 2008 Series A (the "2008 Bonds")
20 and (ii) finance the 2016 Project;

21 **WHEREAS**, the Bonds will be secured by, among other things, the lease payments made by the
22 County under the Lease;

23 **WHEREAS**, in connection with the issuance and delivery of the Bonds, the Authority also desires
24 to approve the form and distribution of a preliminary official statement (the "Preliminary Official
25 Statement") and the form of a purchase contract (the "Purchase Contract");

26 **WHEREAS**, the County, in consideration of the Authority's determination to assist with the
27 refinancing of the Project as described above, has agreed to indemnify and hold harmless the Authority
28

1 in connection with entering into the Site Lease and the Lease and the Project, as more particularly set
2 forth in the Lease; and

3 **WHEREAS**, there have been presented to this meeting the proposed forms of the following
4 documents:

- 5 (a) Indenture;
- 6 (b) Assignment Agreement;
- 7 (c) Site Lease;
- 8 (d) Lease;
- 9 (e) Preliminary Official Statement; and
- 10 (f) Purchase Contract;

11 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE RIVERSIDE**
12 **COUNTY INFRASTRUCTURE FINANCING AUTHORITY AS FOLLOWS:**

13 SECTION 1. Issuance of Bonds. The issuance of the Bonds by the Authority on the terms and
14 conditions set forth in, and subject to the limitations specified in, the Indenture and this Resolution, is
15 hereby approved; provided, however, that (i) the aggregate principal amount of the Bonds shall not
16 exceed \$45,000,000 (ii) the maturity of the Bonds shall not exceed November 1, 2036 and (iii) the true
17 interest cost with respect to the Bonds shall not exceed 3.25% per annum. It is the intention of the
18 Authority that the Taxable Series A-T Bonds be subject to all applicable federal income taxation pursuant
19 to Section 5900 et seq. of the Government Code of the State of California.

20 SECTION 2. Approval of Indenture. The form of Indenture presented at this meeting is hereby
21 approved and the Chairman, the Vice-Chairman and the Executive Director of the Authority (each an
22 "Authorized Officer") are hereby authorized and directed, for and in the name of and on behalf of the
23 Authority, to execute, acknowledge and deliver, and the Secretary is hereby authorized and directed to
24 attest, the Indenture in substantially the form presented at this meeting with such changes therein as the
25 officers executing the same may approve, such approval to be conclusively evidenced by the execution
26 and delivery thereof, including with respect to whether and what type(s) of credit enhancement secures
27
28

1 the Bonds, or by other factors, as determined by the Authorized Officers in consultation with the
2 Authority's financial and legal consultants as being in the best interests of the Authority and the County.

3 SECTION 3. Approval of Site Lease. The form of Site Lease presented at this meeting is
4 hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of
5 and on behalf of the Authority, to execute, acknowledge and deliver, and the Secretary is hereby
6 authorized and directed to attest, the Site Lease in substantially the form presented at this meeting with
7 such changes therein as the Authorized Officer executing the same may approve, such approval to be
8 conclusively evidenced by the execution and delivery thereof.

9 SECTION 4. Approval of Lease. The form of Lease presented at this meeting is hereby
10 approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on
11 behalf of the Authority, to execute, acknowledge and deliver, and the Secretary is hereby authorized and
12 directed to attest, the Lease in substantially the form presented at this meeting with such changes therein
13 as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced
14 by the execution and delivery thereof.

15 SECTION 5. Approval of Assignment Agreement. The form of Assignment Agreement
16 presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and
17 directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver, and
18 the Secretary is hereby authorized and directed to attest, the Assignment Agreement in substantially the
19 form presented at this meeting with such changes therein as the Authorized Officer executing the same
20 may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

21 SECTION 6. Approval of Purchase Contract. The Authority is hereby authorized to enter into
22 the Purchase Contract and each Authorized Officer is hereby authorized and directed to execute and
23 deliver, and the Secretary is hereby authorized and directed to attest, the Purchase Contract on behalf of
24 the Authority, in substantially the form presented to this meeting, with such changes therein, deletions
25 therefrom and additions thereto as the Authorized Officer shall approve in consultation with the Counsel
26 to the Authority and Bond Counsel, which approval shall be conclusively evidenced by the execution and
27 delivery thereof; *provided, however*, that the underwriting fee payable pursuant to the Purchase Contract
28

1 shall not exceed 0.50% of the aggregate principal amount of the Bonds and the maturity date, the
2 principal amount of the Bonds and the interest rates thereon shall be limited as specified in Section 1
3 hereof.

4 SECTION 7. Approval of Official Statement. The Preliminary Official Statement is hereby
5 approved and the same may be used and is hereby authorized to be used and distributed in the market
6 by the Underwriter incident to the marketing of the Bonds. Each Authorized Officer is hereby authorized
7 to (a) make such changes in such form of the Preliminary Official Statement as such officer, in
8 consultation with Authority Counsel and the Underwriter, shall determine to be appropriate, and (b) on
9 behalf of the Authority, to deem such Preliminary Official Statement "final" pursuant to Rule 15c2-12
10 under the Securities Exchange Act of 1934 (the "Rule"). Each Authorized Officer is authorized and
11 directed to prepare a final Official Statement, with such additional information as may be permitted to be
12 excluded from the Preliminary Official Statement pursuant to the Rule, which final Official Statement shall
13 be executed and delivered in the name and on behalf of the Authority by an Authorized Officer, and such
14 Authorized Officer is authorized and directed to prepare, execute and deliver in the name and on behalf
15 of the Authority any supplemental filings related to such final Official Statement.

16 SECTION 8. Municipal Bond Insurance. The Authorized Officers, each acting alone, are hereby
17 authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the
18 Bonds from a municipal bond insurance company if it is determined, upon consultation with the C.M. de
19 Crinis & Co., Inc. (the County's financial advisor) and the Underwriter, that such municipal bond
20 insurance policy will reduce the true interest costs with respect to the Bonds.

21 SECTION 9. Other Acts. The officers and staff of the Authority are hereby authorized and
22 directed, jointly and severally, to do any and all things, to execute and deliver any and all documents,
23 which in consultation with Counsel to the Authority or with Jones Hall, A Professional Law Corporation,
24 the Authority's bond counsel, they may deem necessary or advisable in order to effectuate the purposes
25 of this Resolution, and any and all such actions previously taken by such officers or staff members are
26 hereby ratified and confirmed.
27
28

1
2 SECTION 10. Effective Date. This Resolution shall take effect upon adoption.

3 PASSED and ADOPTED this August 23, 2016.

4
5 
Chairman

6 ATTESTED:

7 
8 Secretary Deputy

9
10
11 ROLL CALL:

12 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
13 Nays: None
14 Absent: None

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

17 KECIA HARPER-IHEM, Clerk of said Board

18 By 
19 Deputy

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

EXHIBIT A

Leased Property

- (i) County library branch and sheriff office site on 66th Avenue in Mecca;
- (ii) Multi-service center site at 19531 McLane Street in North Palm Springs;
- (iii) Sheriff station site at 73705 Gerald Ford Drive in Palm Desert; and
- (iv) Health clinic/family care center site at 5256 Mission Boulevard in Rubidoux.

CERTIFICATION

The undersigned Secretary of the Riverside County Infrastructure Financing Authority, does hereby certify that the foregoing Resolution No. 2016-02 was duly adopted by the Riverside County Infrastructure Financing Authority at a meeting thereof held on August 23, 2016, by the following vote to wit:

AYES: Board Jeffries, Tavaglione, Washington, Benoit
and Ashley
NOES: None
ABSENT: None
ABSTAIN: None


Secretary

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