

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



ITEM
3.8
(ID # 3100)

MEETING DATE:

Tuesday, December 13, 2016

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Letter of Credit Extension supporting the County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center refunding), All District, [\$120,000] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the extension of the letter of credit issued by Wells Fargo Bank, N.A. supporting the County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding), with only such changes (if any) in the existing Reimbursement Agreement as deemed necessary and appropriate and in the County's best interest as determined by an authorized officer of the County designated by the County Executive Officer.
2. Find and order that this action supersedes and abandons Resolution No. 2016-223 that authorized and approved the replacement of the Wells Fargo letter of credit with a letter of credit to be issued by MUFG Union Bank.

ACTION: Policy

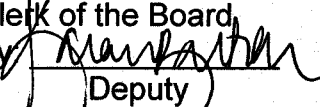
Ivan Chand

12/1/2016

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione Washington and Ashley
Nays: None
Absent: Benoit
Date: December 13, 2016
xc: EO

Kecia Harper-Ihem
Clerk of the Board,
By 
(Deputy)

3-8

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BACKGROUND:

Summary

In December 2008 the County of Riverside Asset Leasing Corporation (CORAL) issued its Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) in the par amount of \$78,895,000 (the "Bonds") and entered into a reimbursement agreement with Union Bank for the provision of a letter of credit with respect to the Bonds (the "2008 LOC").

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 120,000	\$	\$120,000	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: Department Lease payments			Budget Adjustment: No	
			For Fiscal Year: 16/17	

C.E.O. RECOMMENDATION:

BACKGROUND:

Summary (continued)

In 2013, the 2008 LOC expired and was replaced with a letter of credit (the "2013 LOC") from, and a reimbursement agreement with, Wells Fargo Bank, N.A. ("Wells Fargo"). The 2013 LOC was scheduled to expire on December 5, 2016 and has been extended to January 19, 2017. Based on a RFP process conducted by the County, the County commenced working with MUFG Union Bank, N.A. on a replacement letter of credit. During the course of document preparation, issues arose regarding the intersection of the terms of the letter of credit, the bond insurance and the interest rate swap relating to the Bonds that led the County to determine that its interests would best be served by extending, rather than replacing, the 2013 LOC. As a result, the County engaged Wells Fargo Bank and they have agreed to extend the 2013 LOC for three years with limited changes to the current agreement as approved by the County Executive Officer or his designee.

If approved, staff recommends extending 2013 LOC for an additional three years.

Prev. Agn. Ref. 11/5/2013, 3-66, 11/1/16, 3-5

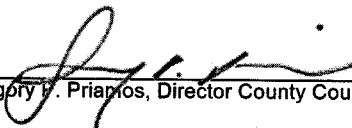
Impact on Residents and Businesses

There is no direct impact on residents or businesses in the County of Riverside.

Additional Fiscal Information

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The one time cost to extend the letter of credit is \$120,000. The overall cost of the new letter of credit went up slightly due to market rates but is locked in for three years.



Gregory V. Priamos, Director County Counsel 12/1/2016