

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



ITEM
9.2
(ID # 4776)

MEETING DATE:

Tuesday, July 25, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Public Hearing for Resolution No. 2017-143, Approving the Issuance by the California Public Finance Authority of Tax Exempt Bonds for the Benefit of 34155 Winchester Rd, LLC , District 3, [\$0] (Vote on Separately, Public Hearing Required).

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing per Section 147(f) of the Internal Revenue Code of 1986;
2. Adopt Resolution No. 2017-143, approving the issuance of tax-exempt bonds by the California Public Finance Authority to (1) finance, refinance or reimburse 34155 Winchester Rd, LLC (the Borrower) for the cost of the construction, acquisition, equipping and improving of land and educational related facilities located at 34155 Winchester Road, Winchester, California, in the County of Riverside (the Facilities); (2) fund a debt service reserve fund for the Bonds; (3) pay capitalized interest on the Bonds; and (4) pay certain expenses incurred in connection with the issuance of the Bonds.
2. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2017-143, including but not limited to, signing subsequent essential and relevant documents.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

7/13/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: July 25, 2017
xc: EDA, PFA

Kecia Harper-Ihem
Clerk of the Board

Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	2017/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Borrower intends to finance or refinance cost of (1) the construction, acquisition, equipping and improving of land and educational related facilities located at 34155 Winchester Road, Winchester, California, in the County of Riverside (the Facilities); (2) fund a debt service reserve fund for the Bonds; (3) pay capitalized interest on the Bonds; and (4) pay certain expenses incurred in connection with the issuance of the Bonds (the Project). The Facilities are to be owned by the Borrower, the sole member of which is TVCS (the Lessee), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code). The Facilities will be leased to and operated by the Lessee as a charter school known as Temecula Valley Charter School. The total Project budget is \$20,000,000.

The California Public Finance Authority proposes to issue tax exempt bonds in an amount not to exceed \$20,000,000 for the financing of the Project. The California Public Finance Authority is an eligible conduit issuer of tax exempt bonds.

In order for the interest of the bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended, requires that the governmental unit where the project is located, hold a public hearing on the issuance of bonds and approve the issuance of the bonds following such hearing. The California Public Finance Authority has requested that the Board of Supervisors approve the issuance of the bonds by the California Public Finance Authority in order to satisfy the public approval requirement of section 147(f) of the IRS Code. The California Public Finance Authority will be the conduit issuer and the bond will not represent an obligation of the County of Riverside or the Economic Development Agency for the County of Riverside.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2017-143.

Impact on Residents and Businesses

The financing of the Project will have a positive impact on citizens and businesses as it provides adequate education facilities to the community as well as creates jobs for local residents.

Attachments:

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

- Resolution No. 2017-143 Authorizing And Approving The Issuance Of Revenue Bonds By The California Public Finance Authority
- TEFRA Notice - County of Riverside

RF:JWW:HM:CH:RM MT 4776


Rahini Dasika, Principal Management Analyst

7/17/2017


Gregory V. Priamos, Director County Counsel

7/13/2017

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE: 7/17/17

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2017-143

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY FOR THE PURPOSE OF FINANCING OR REFINANCING THE CONSTRUCTION, ACQUISITION, EQUIPPING AND IMPROVING OF CERTAIN PUBLIC CHARTER SCHOOL FACILITIES FOR THE BENEFIT OF 34155 WINCHESTER RD, LLC (OR AN AFFILIATE THEREOF)

WHEREAS, pursuant to 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 Public Finance Authority, dated as of May 12, 2015 (the "Agreement") in order to form the California Public 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 County of Riverside, California (the "County") is a Member of the Authority; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, 34155 Winchester Rd, LLC (the "Borrower"), the sole member of which is TVCS (the "Lessee"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the Authority participate in the issuance of one or more series of education facility revenue bonds issued from time to time, in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds") to finance or refinance the costs of: (a) the construction, acquisition, equipping and improving of land and educational related facilities located at 34155 Winchester Road, Winchester, California, in the County of Riverside (the "Facilities"); (b) funding a debt

1 service reserve fund for the Bonds; (c) paying capitalized interest on the Bonds; and (d) paying
2 certain Bond issuance expenses (the "Project"); and

3 **WHEREAS**, the Facilities will be leased to and operated by the Lessee as a charter school
4 known as Temecula Valley Charter School; and

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

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

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

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

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

21 **NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County
22 of Riverside as follows:

23 Section 1. The foregoing recitals are true and correct.

24 Section 2. The Board hereby approves the issuance of the Bonds by the Authority. It
25 is the purpose and intent of the Board that this resolution constitute approval of the issuance of the
26 Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction
27 over the area in which the Project is located in accordance with Section 147(f) of the Code and; (b)
28 by the Board in accordance with Section 4 of the Agreement.

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

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

10 Section 5. The executing officers(s), the Clerk and all other proper officers and officials
11 of the County are hereby authorized and directed to execute such other agreements, documents and
12 certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect
13 the purposes of this Resolution and the transactions herein authorized.

14 Section 6. The Clerk shall forward a certified copy of this Resolution to the Authority
15 in care of its counsel:

16 Dane K. Fernandes, Esq.
17 Kutak Rock LLP
18 8601 North Scottsdale Road, Suite 300
19 Scottsdale, Arizona 85253

20 Section 7. This Resolution shall take effect immediately upon its adoption.

21 (Signatures on Following Page)

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28 PASSED, APPROVED AND ADOPTED THIS 25th day of July, 2017

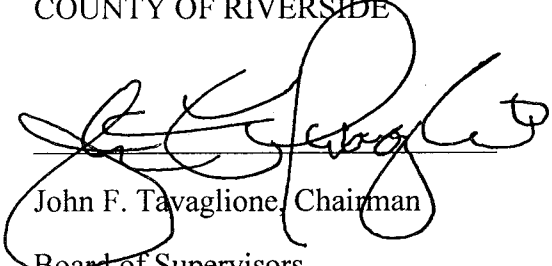
1 AYES: Jeffries, Tavaglione, Washington, Perez and Ashley

2 NOES: None

3 ABSENT: None

4 ABSTAIN: None

6 COUNTY OF RIVERSIDE

8 
9 John F. Tavaglione, Chairman

10 Board of Supervisors

12 ATTEST:

13 Kecia Harper-Ihem

14 Clerk of the Board of Supervisors

16
17 By: 

18 Deputy

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on July 25, 2017, 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 Public Finance Authority of its revenue bonds in one or more series in an amount not to exceed \$20,000,000 (the "Bonds"), the proceeds of which will be used to: (1) finance, refinance or reimburse the Borrower for the cost of the construction, acquisition, equipping and improving of land and educational related facilities located at 34155 Winchester Road, Winchester, California, in the County of Riverside (the "Facilities"); (2) fund a debt service reserve fund for the Bonds; (3) pay capitalized interest on the Bonds; and (4) pay certain expenses incurred in connection with the issuance of the Bonds. The Facilities are to be owned by 34155 Winchester Rd, LLC (the "Borrower"), the sole member of which is TVCS (the "Lessee"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Facilities will be leased to and operated by the Lessee as a charter school known as Temecula Valley Charter School.

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 therefor 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 by the County of Riverside at 4080 Lemon Street, 1st Floor, Riverside, California 92501. 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 and refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments to the Clerk of the Board of Supervisors of the County of Riverside, 4080 Lemon Street, Room 127, Riverside, California 92501.

Dated: July 11, 2017

COUNTY OF RIVERSIDE