

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



ITEM
9.1
(ID # 7249)

MEETING DATE:

Tuesday, June 19, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Resolution No. 2018-119,
Approving the Issuance by the California Enterprise Development Authority of
Revenue Obligations for the Benefit of Rancho Community Reformed Church
(District 3) [\$0] (Set for Public Hearing)

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. 2018-119, approving the issuance by the California Enterprise Development Authority of revenue obligations for the benefit of Rancho Community Reformed Church in connection with its operation of Rancho Christian School; and
3. Authorize the Assistant County Executive Officer/ECD, or designee, to take all necessary steps to implement Resolution No. 2018-119, including, but not limited to, signing subsequent essential and relevant documents.


ACTION: Policy


Heidi Marshall, Managing Director 6/7/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Tavaglione 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: June 19, 2018
xc: EDA

Kecja Harper-Ihem
Clerk of the Board
By: 
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

Established in 1968, Rancho Community Reformed Church was one of the first churches in Temecula. The Church has been and continues to be a true "community church," with campuses in both Temecula and Murrieta. In addition to its regular religious services, the Church also operates a private school, Rancho Christian School. The school offers a quality, private preschool through high school education. The school aims to cultivate a safe and positive environment where students journey through a comprehensive, premier educational experience.

The California Enterprise Development Authority proposes to issue tax-exempt obligations in an amount not to exceed \$30,500,000. A portion of the proceeds of the Obligations will be used to pay the costs of issuance in connection with the financing and other related costs. The California Enterprise Development Authority is an eligible conduit issuer of tax exempt obligations.

In order for the interest on the obligations 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 the obligations and approve the issuance of the obligations following such hearing. The California Enterprise Development Authority has requested that the Board approve the issuance of the obligations by the California Enterprise Development Authority in order to satisfy the public approval requirement of section 147(f) of the Internal Revenue Code. The California Enterprise Development Authority will be the conduit issuer, and the obligations will not represent a general obligation of the County of Riverside or the Economic Development Agency for the County of Riverside.

County Counsel has reviewed and approved as to form, the attached Resolution. Staff recommends approval of Resolution No. 2018-119.

Impact on Residents and Businesses

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

This project will allow Rancho Christian School to refinance debt used for the construction of the school which will reduce costs and use the savings for various programs and personnel.

Additional Fiscal Information

The County's membership in the Authority bears with it no cost or other financing obligation, but serves as a public acknowledgment by the host jurisdiction of the project financing.

Attachments:

- Resolution No. 2018-119
- Public Notice

RF: JV: HM: CH: LT: RM

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Nehini Dasika, Principal Management Analyst 6/11/2018


Gregory V. Priamos, Director County Counsel 6/8/2018

2
3 RESOLUTION NO. 2018-119

4
5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 APPROVING THE ISSUANCE, FROM TIME TO TIME, PURSUANT TO A PLAN OF FINANCE,
7 BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF ITS REVENUE
8 OBLIGATIONS FOR THE BENEFIT OF RANCHO COMMUNITY REFORMED CHURCH AND/OR
9 A RELATED OR SUCCESSOR ENTITY IN AN AGGREGATE AMOUNT NOT TO EXCEED
10 \$30,500,000 FOR THE PURPOSE OF REFINANCING THE COST OF THE ACQUISITION,
11 CONSTRUCTION, INSTALLATION, EQUIPPING AND FURNISHING OF EDUCATION
12 FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR SUCH OBLIGATIONS AND
13 OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

14
15 **WHEREAS**, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1,
16 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code
17 of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma (the "Members") entered
18 into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise
19 Development Authority (the "Authority") was organized, for the purpose of promoting economic, cultural
20 and community development, and in order to exercise any powers common to the Members and associate
21 members, including the issuance of bonds, notes or other evidences of indebtedness; and

22 **WHEREAS**, the County of Riverside, California (the "County") is an associate member of the
23 Authority; and

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

26 **WHEREAS**, Rancho Community Reformed Church, a California nonprofit religious corporation
27 (the "Borrower"), and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986,
28 as amended (the "Code"), has requested that the Authority participate in the issuance, from time to time,

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel*
DATE: *6-7-18*
SYNTHIA M. GUNZEL

1 pursuant to a plan of finance, its tax-exempt and/or taxable revenue bonds, notes or other evidence of
2 obligations in an aggregate principal amount not to exceed \$30,500,000 (the "Obligations") to (1) refinance
3 the cost of the acquisition, construction, installation, equipping and furnishing of education facilities located
4 at 31300 Rancho Community Way, Temecula, California 92592 (collectively, the "Facilities"); and (2) pay
5 certain costs of issuance in connection with such refinancing (collectively, the "Project"); and

6 **WHEREAS**, the Facilities are used by the Borrower in connection with Borrower's educational
7 mission to provide exceptional, comprehensive preschool through high school education to students in
8 Temecula and Murrieta; and

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

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

16 **WHEREAS**, the Authority has requested that the Board approve the issuance of the Obligations by
17 the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the Act;
18 and

19 **WHEREAS**, notice of such public hearing has been duly given as required by the Code, and this
20 Board has heretofore held such public hearing at which all interested persons were given an opportunity to
21 be heard on all matters related to the Project and the Authority's issuance of the Obligations therefor; and

22 **WHEREAS**, it is in the public interest and for the public benefit that the Board approve the issuance
23 of the Obligations by the Authority for the aforesaid purposes;

24 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of
25 Supervisors of the County of Riverside, assembled in regular session, at the conclusion of the public hearing,
26 on June 19, 2018, at 9:00 a.m. or soon thereafter, in the meeting room of the Board of Supervisors, located
27 on the first floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, the
28 following:

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

2 Section 2. The Board hereby approves the issuance of the Obligations by the Authority. It is the
3 purpose and intent of the Board that this resolution (a) shall constitute "host" approval and "issuer" approval
4 of the issuance of the Obligations within the meaning of Section 147(f) of the Code and, (b) approval of the
5 issuance of the Obligations by the Board in accordance with the Act.

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

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

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

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

21 Sam S. Balisy, Esq.

22 Kutak Rock LLP

23 777 South Figueroa Street, Suite 4550

24 Los Angeles, California 90017

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

26
27 (Signatures on Following Page)
28

1 THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors of the
2 County of Riverside this June 19, 2018, by the following vote:


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

4 NOES: None

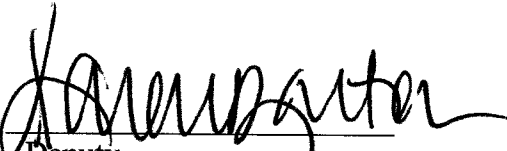
5 ABSENT: None

6 ABSTAINING: None

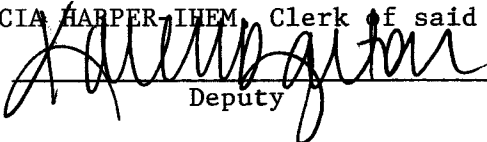
7 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors
8 on the date therein set forth.

9 By: 
10 Chuck Washington, Chairman
11 Board of Supervisors

12 **ATTEST:**
13 Kecia Harper-Ihem
14 Clerk of the Board

15 
16 Deputy

17
18 The foregoing is certified to be a true copy of a resolution duly
19 adopted by said Board of Supervisors on the date therein set forth.

20 KECIA HARPER-IHEM, Clerk of said Board
21 By: 
22 Deputy

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF TAX-EXEMPT REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE PURPOSE OF REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, INSTALLATION, EQUIPPING AND FURNISHING EDUCATIONAL FACILITIES FOR THE BENEFIT OF RANCHO COMMUNITY REFORMED CHURCH OR A SUCCESSOR ENTITY

NOTICE IS HEREBY GIVEN that at 9:00 a.m., or as soon thereafter as the matter may be heard, on June 19, 2018, at 4080 Lemon Street, First Floor, Board Chambers, Riverside, California, 92501, the Board of Supervisors of the County of Riverside (the "Board") will conduct a public hearing (the "Public Hearing") at which the Board will hear and consider information concerning the issuance, from time to time, pursuant to a plan of finance, of one or more series of tax-exempt revenue obligations by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed \$30,500,000 (the "Obligations") for the benefit of Rancho Community Reformed Church, a California nonprofit religious corporation, and/or a related or successor entity (the "Borrower") in connection with its operation of Rancho Christian School. The Issuer will loan the proceeds of the Obligations to the Borrower pursuant to one or more loan agreements (the "Loan Agreement"). The proceeds of the Obligations loaned to the Borrower will be used to refinance the cost of the acquisition, construction, installation, equipping and furnishing of education facilities located at 31300 Rancho Community Way, Temecula, California 92592, consisting of approximately 105,000 square feet of education facilities with classrooms, an auditorium, administrative offices, child care center, gymnasium, athletic fields, cafeteria and science labs (collectively, the "Facilities"). A portion of the proceeds of the Obligations will be used to pay the costs of issuance in connection with the financing and other related costs. The Borrower will own and operate the Facilities for the purpose of offering a quality, private preschool through high school education to the children in the Temecula and Murrieta Valley. The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement.

Neither the faith and credit nor the taxing power of the County of Riverside (the "County"), the State of California (the "State"), or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Obligations, nor shall the County, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Obligations.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. Those wishing to comment on the proposed nature and location of the Facilities and the refinancing of the Facilities with the proceeds of the Obligations may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing by the County of Riverside, Attention: Clerk of the Board of Supervisors, 4080 Lemon Street, Riverside, California, 92501.

Date: June 4, 2018

COUNTY OF RIVERSIDE

By: /s/ Kecia Harper-Ihem
Clerk of the Board of Supervisors