

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



ITEM
3.2
(ID # 9650)

MEETING DATE:

Tuesday, April 16, 2019

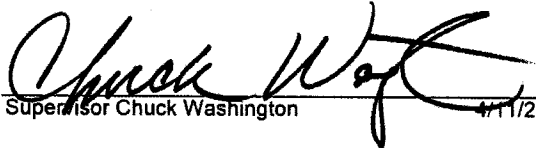
FROM : SUPERVISOR CHUCK WASHINGTON:

SUBJECT: SUPERVISOR CHUCK WASHINGTON: Introduction of Ordinance No. 952, Authorizing a Public Leaseback to Finance the Costs of Construction of the Library Buildings in French Valley, Menifee and Desert Hot Springs

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce, read, and waive further reading of, and adopt on successive weeks, Ordinance No. 952, Authorizing a Public Leaseback to Finance the Costs of Construction of the Library Buildings in French Valley, Menifee and Desert Hot Springs; and
2. Direct the Economic Development Agency to continue to process this transaction, including negotiations of the Ground Lease and Facilities Lease and associated documents, preparing and processing the ordinance, and handling any other associated items.


ACTION:


Supervisor Chuck Washington 4/11/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended and that the above Ordinance is approved as introduced with a waiver of reading.

Ayes: Jeffries, Washington, Perez and Hewitt
Nays: None
Absent: Spiegel
Date: April 16, 2019
xc: Supvr. Washington, EDA, COB

Kecia Harper
Clerk of the Board
By: 
Deputy

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

BACKGROUND:

Summary

BACKGROUND: Libraries are a public investment, transforming lives and communities while advocating for lifelong learning. Riverside County Library System (RCLS) has grown over the past 22 years with 36 library branches, mobile library amenities, literacy services and museum and cultural enrichment programming for over 4-million patrons. RCLS is in full demand and busier than ever. In order to address the County's growing population and community needs, additional library space is needed in the communities of French Valley, Menifee and Desert Hot Springs. Utilizing EDA Real Estate for real estate services to assist in the establishment of a Public Private Partnership (P3), RCLS has engaged with a real estate developer to plan, design, entitle, and construct these new facilities on County owned land and to complete the Riverside County Libraries Project (Project).

Consisting of approximately 25,000 square feet, the new French Valley Library branch will be located on the northeast corner of Winchester Road and Skyview Road in the County unincorporated area. The new Menifee Library branch will consist of approximately 20,000 square feet and will be located at La Piedra Road and Menifee Road in the City of Menifee, and the Desert Hot Springs replacement branch will consist of approximately 15,000 square feet and will be located on the northeast corner of Palm Drive and Park Lane in the City of Desert Hot Springs.

In January 2018, RCLS obtained "In Principle" Board of Supervisors approval to proceed with the Request for Proposals (RFP) process in order to consider and potentially deliver new libraries on County owned property through a public private partnership method. RCLS engaged in analysis of library facilities and developed a comprehensive space program for these new facilities. EDA Real Estate then issued a Request for Proposal in February of 2018 to area developers to partner with the County through a Public Private Partnership (P3) real estate development project, to plan, design, entitle, construct, and provide property management for these new facilities. Responses to the RFP were collected and analyzed and an intent to award was made to Omni West Group, Inc. (Developer).

The purpose of this action is to introduce the public leaseback ordinance in anticipation of returning to the Board on April 30, 2019, with the final Ground Lease and Facilities Lease, along with associated documents.

This introduction of the ordinance has been approved as to form by County Counsel.

Impact on Residents and Businesses

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

The addition of these new library facilities will provide a destination for learning, discovery, and collaboration and will have a positive impact on library patrons in the communities they will serve.

Additional Fiscal Information

Preparation, publication and hearing of the ordinance will cost approximately \$2,500. All costs associated with this ordinance are funded through the County Library Fund. Thus, no additional net county cost will be incurred as a result of the transaction.

ATTACHMENT C. PERSONNEL CHANGE and ORDINANCE 440 REPORT

No change to past requirements.

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ORDINANCE NO. 952

AN ORDINANCE OF THE COUNTY OF RIVERSIDE

AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF CONSTRUCTION OF
LIBRARY BUILDINGS IN DESERT HOT SPRINGS, MENIFEE, AND FRENCH VALLEY

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. FINDINGS. The Board of Supervisors of the County of Riverside finds
that:

- a. Internal Revenue Code Section 145 ("Section 145") defines a qualified 501(c)(3) bond as any private activity bond issue if, among other requirements, all the property which is to be provided by the net proceeds of the issue is owned by a 501(c)(3) organization or governmental unit. Bonds issued pursuant to Section 145 may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure.
- b. CFP Riverside, LLC ("CFP") has been formed as a nonprofit limited liability company for the purpose of designing, permitting, constructing, operating, and maintaining three new library buildings and related facilities in Desert Hot Springs, Menifee, and French Valley, California (the "Project") for use by the County of Riverside (the "County").
- c. The County as the owner of the land on which the Project will be constructed (the "Land") will enter into a ground lease of the Land with CFP (the "Ground Lease").
- d. In order to finance the Project, CFP proposes to issue tax-exempt bonds, to be designated as the "501(c)(3), Non-Profit Tax-Exempt, Lease Revenue Bonds (Riverside County Library Facilities Project), CFP Riverside, LLC, Series 2019" in an aggregate principal amount to be determined (the "Bonds").

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- e. CFP proposes to enter into a Facilities Lease Agreement (the "Facilities Lease") under which CFP will undertake the Project and lease the Premises (as such term is defined in the Facilities Lease) to the County.
- f. Payments by the County of rent under the Facilities Lease will be used to pay debt service on the Bonds, but the Bonds will not in any way constitute an obligation or debt of the County.
- g. The Revenue Procedure requires that, within one year prior to issuance of the Bonds, the County approve the nonprofit corporation (CFP) and the bonds to be issued (the Bonds) and agree to accept title to the Project when the Bonds are retired.
- h. The Project is necessary to meet the County's needs for facilities to provide library services to residents of the County.
- i. The County does not wish to undertake directly the governmental burden associated with development of the Project, and has determined that the proposal by CFP is the most efficient means for managing the financing, construction and operation of the Project.
- j. The transaction as proposed constitutes a public leaseback that the County wishes to approve in accordance with Section 54241 of the Government Code.
- k. Environmental review will be completed before any development would occur for the Project.

Section 2. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of construction of the library buildings in the Desert Hot Springs, Menifee and French Valley areas of Riverside County.

Section 3. AUTHORITY. This ordinance is adopted pursuant to California Government Code Section 54241.

Section 4. AUTHORIZATION OF PUBLIC LEASEBACK. The public leaseback as set forth in this ordinance is authorized.

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- a. Upon completion of negotiations of the Ground Lease and Facilities Lease, the County shall consider approving and authorizing execution of said leases. The final schedule of monthly rent payments due under the Facilities Lease shall be determined and added as an exhibit to the Facilities Lease upon the issuance and sale of the Bonds.
- b. The County hereby requests that CFP lease the Land pursuant to the anticipated Ground Lease and undertake the Project, and thereby relieve the County of the governmental burden thereof. The County hereby approves CFP solely for the purposes of approving the issuance by it of the Bonds to finance the Project under the Revenue Procedure. The Bonds shall not be an obligation of the County or any other agency or subdivision of the state of California, subject to entering into the Ground Lease and Facilities Lease. The County further agrees to accept title to the Project financed by the Bonds, including any additions to the Premises, when the Bonds are discharged. At such time, title to the Project financed by the Bonds will be transferred to the County at no additional cost.
- c. To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12, as applicable to a participating underwriter or remarketing agent for Bonds, the County is hereby authorized to enter into an undertaking in a form acceptable at the time to the participating underwriter or remarketing agent, as the case may be.
- d. All appropriate officers of the County are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this action. All acts taken and all approvals and agreements previously made pursuant to the authority of this action but prior to the effective date hereof are hereby ratified and confirmed.

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e. This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to California Government Code Section 25124.

Section 5. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

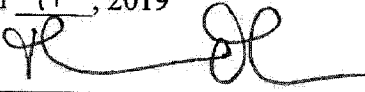
Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

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

By: _____
Chairman

ATTEST:
KECIA R. HARPER
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:
April 11, 2019
By: 
Thomas Oh
Deputy County Counsel

Filename path



CALL (951) 368-9222
EMAIL legal@pe.com

THE PRESS-ENTERPRISE

DATE	ORDER NUMBER	PO Number	PRODUCT	SIZE	Amount
4/23/19	0011261556		PE Riverside	3 x 94 Li	366.60

Invoice text: Lease Revenue Bonds

*EDA / Supvr. Washington
4/16/19 3.2*

Placed by: Karen Barton

Legal Advertising Memo Invoice

BALANCE DUE
366.60

SALES/CONTACT INFORMATION	ADVERTISER INFORMATION			
	BILLING DATE	BILLED ACCOUNT NUMBER	ADVERTISER/CLIENT NUMBER	ADVERTISER/CLIENT NAME
Nick Eller 951-368-9229	04/23/2019	5209148	5209148	BOARD OF SUPERVISORS



THE PRESS-ENTERPRISE

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04/23/2019	5209148	5209148
BALANCE DUE	ORDER NUMBER	TERMS OF PAYMENT
366.60	0011261556	DUE UPON RECEIPT

BILLING ACCOUNT NAME AND ADDRESS

REMITTANCE ADDRESS

BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
'PO BOX 1147'
RIVERSIDE, CA 92502

CALIFORNIA NEWSPAPER PARTNERSHIP
dba The Press-Enterprise
PO Box 65210
Colorado Springs, CO 80962-5210

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)**

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: Lease Revenue Bonds /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

04/23/2019

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: April 23, 2019
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
PO BOX 1147
RIVERSIDE, CA 92502

Ad Number: 0011261556-01

P.O. Number:

Ad Copy:

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF LEASE REVENUE BONDS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY IN AN AGGREGATE AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF FINANCING THE COST OF DESIGN, DEVELOPMENT, CONSTRUCTION, INSTALLATION, EQUIPPING, FURNISHING, OPERATING AND MAINTAINING OF PUBLIC LIBRARY FACILITIES BY CFP RIVERSIDE, LLC FOR THE BENEFIT OF THE COUNTY OF RIVERSIDE

NOTICE IS HEREBY GIVEN that at 9:00 a.m., or as soon as possible thereafter as the matter may be heard, on April 30, 2019 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 lease revenue bonds by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed \$50,000,000 (the "Bonds"). The proceeds of the Bonds will be applied by CFP Riverside, LLC, a Minnesota non-profit limited liability company ("CFP") for the purpose of (a) designing, developing, constructing, installing, equipping, operating and maintaining (1) an approximately 25,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 93 cars on an approximately 11.33 acre parcel of real property located at the corner of Winchester Road and Sky View Road (APN 480-160-021) in the unincorporated French Valley area of Riverside County (the "French Valley Library"); (2) an approximately 20,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 76 cars on an approximately 4.73 acre parcel of real property located at the corner of Menifee Road and La Piedra Road (APN 364-152-034) in the incorporated City of Menifee, California (the "Menifee Library"); and (3) an approximately 15,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 68 cars on an approximately 13.78 acre parcel of real property located at the corner of Palm Drive and Park Lane (APN 656-040-039-3) in the incorporated City of Desert Hot Springs, California (the "Desert Hot Springs Library" and, together with the French Valley Library and the Menifee Library, the "Library Facilities"); (b) funding a debt service reserve fund for the Bonds; and (c) paying capitalized interest, costs of issuance and other related transaction costs in connection with the issuance of the Bonds. The Library Facilities will be leased by CFP to the County of Riverside (the "County") pursuant to a facilities lease (the "Facilities Lease"). CFP's sole member is Community Facility Partners, a Minnesota non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which was formed for charitable purposes which include, but are not limited to, the acquisition, construction, development, ownership (either by itself or as the single member of limited liability companies), improvement, operation, management, lease, sale, conveyance, mortgaging, financing and refinancing of community public facilities, such as the Library Facilities, to be used by and for the benefit of governmental entities, such as the County.

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, and the public hearing requirement of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. Those wishing to comment on the proposed nature and location of the Library Facilities and the financing of the Library Facilities with the proceeds of the Bonds 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.

Please send all written correspondence to: Clerk of the Board, 4080 Lemon Street, 1st Floor, Post Office Box 1147, Riverside, CA 92502-1147 or email cob@rivco.org

Alternative formats available upon request to individuals with disabilities. If you require reasonable accommodation, please contact Clerk of the Board at (951) 955-1063, at least 72 hours prior to the hearing.

Date: April 19, 2019 Kecia R. Harper, Clerk of the Board
By: Karen Barton, Board Assistant

4/23