

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



ITEM: 19.1
(ID # 21776)

MEETING DATE:

Tuesday, May 09, 2023

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Resolution No. 2023-128, Approving the California Enterprise Development Authority's Issuance of one or more series of Taxable and/or Tax-Exempt Revenue Obligations for the Benefit of Loma Linda Healthcare Properties, LLC, Loma Linda University Medical Center and/or a Related Or Successor Entity. District 5. [\$0] (Clerk to Set for Public Hearing May 9, 2023 @ 9:30 a.m. or as soon as possible thereafter)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing with the Board of Supervisors per Section 147(f) of the Internal Revenue Code of 1986; and
2. Adopt Resolution No. 2023-128, approving the California Enterprise Development Authority's issuance of taxable and/or tax-exempt revenue obligations for the benefit of Loma Linda Healthcare Properties, LLC, Loma Linda University Medical Center and/or a Related or Successor Entity to finance, refinance, and reimburse the cost of healthcare facilities in the County of Riverside; and
3. Authorize the Director of the Office of Economic Development or designee, to take necessary steps to implement Resolution No. 2023-128, including, but not limited to, signing subsequent essential and relevant documents.

ACTION:


Suzanne Holland, Director of Office of Economic Development 4/26/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: May 9, 2023
xc: O.E.D., Authority

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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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: N/A	
			For Fiscal Year: 22/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Board of Supervisors of the County of Riverside ("County") is being asked to adopt a resolution which would approve the California Enterprise Development Authority's ("Authority") issuance of taxable and/or tax-exempt obligations in an amount not to exceed \$25,000,000 (the "Obligations"). The Authority is an eligible conduit issuer of taxable and/or tax-exempt obligations and the County is a member. Because interest on a portion of the Obligations will be tax-exempt, such public hearing and approval of the Obligations by the County is required by the Internal Revenue Code of 1986, as amended (the "Code").

The California Association for Local Economic Development (CALED) established the Authority as a Joint Powers Authority to address gaps in economic development financing. Specifically, the Authority's goal is to issue industrial development bonds for small- to medium-sized California manufacturers and issue bonds for non-profit businesses such as private schools, community centers, and health clinics. The Authority has 272 members statewide that includes counties, cities, and special districts.

Loma Linda Healthcare Properties, LLC, Loma Linda University Medical Center and/or a Related or Successor Entity (the "Borrower"), will own and operate the Facilities in connection with its mission of providing community healthcare.

The proceeds of the Obligations will be applied by the Borrower for the purpose of financing, refinancing, and reimbursing costs for acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of various facilities comprised of a 15,000 square foot ambulatory surgery center, a 70,000 square foot medical office building on an approximately 8.13 acre parcel of real property located at 81 Highland Springs, Beaumont, California 92223, and financing a portion of the cost of the seismic retrofit of the medical facilities located at 11234 Anderson Street, Loma Linda, California 92354 (collectively, the "Facilities"). Obligations proceeds will also be utilized for costs of issuance and other related transactions in connection with the issuance of the Obligations.

For the interest on the Obligations to be tax-exempt, Section 147(f) of the Code, 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 Authority

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

has therefore requested that the County approve the Authority's issuance of the Obligations to satisfy the public approval requirement of section 147(f) of the Code. The Authority will be the conduit issuer, and the Obligations will not constitute a fiscal obligation of the County of Riverside.

Impact on Residents and Businesses

The Authority's issuance of the Obligations will provide the Borrower and its affiliates with the funding needed to finance/refinance its facility in the city of Beaumont, County of Riverside, thereby facilitating benefits to the community.

Additional Fiscal Information

Conduit revenue obligations are a special, limited obligation of the Authority payable solely through the Borrower's repayment of the loan from the Authority which repayment is used to pay the principal of and interest on the Obligations. As such, any Obligations issued by the Authority will not be a direct obligation of the Authority, the County, or any member of the Authority. Neither the faith or credit, nor the taxing power of the County, any member of the Authority, the State or any political subdivision is pledged to the repayment of the Obligations.

Attachments:

- Resolution No. 2023-128
- Public Notice



Aaron Gettis, Deputy County Counsel 4/26/2023

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2023-128

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF ITS REVENUE OBLIGATIONS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$25,000,000 FOR THE BENEFIT OF LOMA LINDA HEALTHCARE PROPERTIES, LLC, LOMA LINDA UNIVERSITY MEDICAL CENTER AND/OR A RELATED OR SUCCESSOR ENTITY FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF ACQUISITION, IMPROVEMENT, CONSTRUCTION, FURNISHING, RENOVATING, AND EQUIPPING OF HEALTHCARE FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR SUCH OBLIGATIONS AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED.

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

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

WHEREAS, the Authority is authorized to issue its taxable and/or tax-exempt obligations and enter into a loan agreement for the purpose, among others, of financing or refinancing the acquisition and construction of capital projects; and

05.09.2023 19.1

FORM APPROVED COUNTY COUNSEL
BY: *Stephanie K. Nelson* 4/26/23
STEPHANIE K. NELSON DATE

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1 **WHEREAS**, Loma Linda Healthcare Properties, LLC, Loma Linda University Medical
2 Center, and/or a related or successor entity (collectively, the “Borrower”), duly organized and
3 existing under the laws of the State of California, has requested that the Authority participate in the
4 issuance, from time to time, pursuant to a plan of finance, of its taxable and tax-exempt obligations
5 in an aggregate principal amount not to exceed \$25,000,000 (the “Obligations”) for the purpose
6 of (1) financing, refinancing, and reimbursing the cost of the acquisition, construction, expansion,
7 rehabilitation, remodeling, renovation and equipping of various facilities comprising of a 15,000
8 square foot ambulatory surgery center and a three-story, approximately 70,000 square foot medical
9 office building on an approximately 8.13 acre parcel of real property located at 81 Highland
10 Springs, Beaumont, California 92223 (collectively, the “Facilities”); and (2) paying costs of
11 issuance and other related transaction costs in connection with the issuance of the Obligations
12 (collectively, the “Project”); and

13 **WHEREAS**, in order for interest on a portion of the Obligations to be tax-exempt, Section
14 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that an
15 “applicable elected representative” of the governmental unit, the geographic jurisdiction of which
16 contains the site of facilities to be financed with the proceeds of the Obligations, hold a public
17 hearing on the issuance of the Obligations and approve the issuance of the Obligations following
18 such hearing; and

19 **WHEREAS**, the Authority has determined that the Board of Supervisors of the County
20 (the “Board”) is an “applicable elected representative” for purposes of holding such hearing; and

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

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

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

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

Section 1. The foregoing recitals are true and correct.

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

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

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

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

19 Section 6. The Clerk shall forward a certified copy of this Resolution to the Authority
20 in care of its bond 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 (Signatures on Following Page)

1 THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors
2 of the County of Riverside this May 9, 2023, by the following vote:

3 AYES:

4 NOES:

5 ABSENT:

6 ABSTAINING:

7
8 

9 Kevin Jeffries, Chair
10 Board of Supervisors

11 **ATTEST:**

12 Kimberly Rector
13 Clerk of the Board

14 By 
15 Deputy

16 ROLL CALL:

17 Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
18 Nays: None
19 Absent: None

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

22 KIMBERLY A. RECTOR, Clerk of said Board

23 By: 
24 Deputy

25
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The Press-Enterprise
3512 14 Street
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(951) 368-9229

Kutak Rock LLP Los Angeles
777 S Figueroa St, Suite 4550
Los Angeles, California 90017

Publication: The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc: 0011599632

FILE NO. 0011599632

PROOF OF PUBLICATION

I am a citizen of the United States. I am over the age of eighteen years and not party to or interested in the above-entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of 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:

04/28/2023

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

Date: April 28, 2023.
At: Riverside, California



Signature

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY IN AN AGGREGATE AMOUNT NOT TO EXCEED \$25,000,000 FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF THE ACQUISITION, IMPROVEMENT, CONSTRUCTION, FURNISHING, RENOVATING AND EQUIPPING OF HEALTHCARE FACILITIES FOR THE BENEFIT OF LOMA LINDA HEALTHCARE PROPERTIES, LLC, LOMA LINDA UNIVERSITY MEDICAL CENTER AND/OR A RELATED OR SUCCESSOR ENTITY

NOTICE IS HEREBY GIVEN that at 9:30 a.m., or as soon thereafter as the matter may be heard, on May 9, 2023, 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") as described below at which the Board will hear and consider information relating to the issuance, by the California Enterprise Development Authority (the "Issuer"), from time to time, pursuant to a plan of finance, of one or more series of taxable and/or tax-exempt revenue obligations pursuant to Section 145 of the Internal Revenue Code of 1986, as amended, in an aggregate principal amount not to exceed \$25,000,000 (the "Obligations") for the benefit of Loma Linda Healthcare Properties, LLC, Loma Linda University Medical Center, and/or a related or successor entity (collectively, the "Borrower"). The proceeds of the Obligations will be loaned to the Borrower pursuant to a loan agreement or financing arrangement by and among a financial institution, the Issuer and the Borrower (the "Loan Agreement"). The proceeds of the Obligations will be applied by the Borrower for the purpose of (1) financing, refinancing, and reimbursing the cost of the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of various facilities comprising of a 15,000 square foot ambulatory surgery center and a three-story, approximately 70,000 square foot medical office building on an approximately 8.13 acre parcel of real property located at 81 Highland Springs, Beaumont, California 92223 (collectively, the "Facilities"); and (2) paying costs of issuance and other related transaction costs in connection with the issuance of the Obligations. The Borrower will own and operate the Facilities in connection with its mission of providing the community unwavering commitment to compassion in healthcare.

The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement. The Obligations will not be deemed to constitute a debt or liability of the County of Riverside (the "County"), the State of California (the "State") or any political subdivision thereof, but will be payable solely from the funds provided therefor by the Borrower. The Issuer will not be obligated to pay the principal of the Obligations, or the redemption premium, if any, or interest thereon, except from funds provided from loan repayments by the Borrower. Neither the faith and credit nor the taxing power of the County, 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 described herein will commence at 9:30 a.m. Pacific Time or as soon thereafter as the matter can be heard, in the County of Riverside Board Chambers, 4080 Lemon Street, 1st Floor, Riverside, CA 92501. Interested persons wishing to express their views on the issuance of the Obligations 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. Additional information concerning the above matter may be obtained from, and written comments should be addressed to: County of Riverside, Clerk of the Board of Supervisors, 4080 Lemon Street, 1st Floor, Riverside CA 92501, (951) 955-1069, Email: cob@rlvco.org, or may be submitted at <https://www.rlvcocob.org/web-comments>.

Accommodations under the Americans with Disabilities Act are available upon request. Requests must be made at least 72 hours prior to meeting. Later requests will be accommodated to the extent feasible. Please call the Clerk of the Board office at (951) 955-1069, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Date: April 28, 2023
COUNTY OF RIVERSIDE
By: /s/ Kimberly Rector
Clerk of the Board of Supervisors
The Press-Enterprise
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