

ORDINANCE NO. 919

AN ORDINANCE OF THE COUNTY OF RIVERSIDE AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF CONSTRUCTION OF A COUNTY LAW OFFICE BUILDING IN INDIO

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

Section 1. FINDINGS. The Board of Supervisors finds that:

- a. Pursuant to Revenue Procedure 82-26 of the U.S. Treasury (the "Revenue Procedure"), bonds issued by a nonprofit corporation organized under the laws of the state of California in order to finance facilities in the state of California may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure.
- b. Riverside Community Properties Development, Inc. ("RCP") has been formed as a nonprofit public benefit corporation for the purpose of designing, permitting, constructing and equipping a new law office building and related facilities in Indio, 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 RCP (the "Ground Lease").
- d. In order to finance the Project, RCP proposes to issue tax-exempt bonds, to be designated as the "Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building)," in an aggregate principal amount to be determined (the "Bonds").
- e. RCP proposes to enter into a Facilities Lease Agreement (the "Facilities Lease") under which RCP 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 (RCP) 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 requirements for facilities to house and support essential components of the County's civil and criminal law functions.
- 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 RCP 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. The potential environmental effects of the Project subject to the Ground Lease and Facilities Lease were fully studied in Environmental Assessment No. 13-5-503 prepared by the City of Indio. Based thereon City of Indio, the lead agency, adopted a Mitigated Negative Declaration on June 12, 2013. The public leaseback will not result in any new significant environmental effects not identified in Environmental Assessment No. 13-5-503, nor will it substantially increase the severity of the environmental effects identified in Environmental Assessment No. 13-5-503. In addition, no considerably different mitigation measures have been identified. Accordingly, the County, as a responsible agency hereby certifies that it has reviewed and considered the information contained in Environmental Assessment No. 13-5-503 and the Mitigated Negative Declaration adopted by the City on June 12, 2013. No further environmental documentation is therefore required to authorize the public leaseback.

Section 2. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of construction of the Project.

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.

- a. Upon completion of negotiations of Ground Lease and the 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 RCP 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 RCP 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.
- 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.

Adopted: 3-26 of 07/30/13