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ORDINANCE NO. 989

AN ORDINANCE OF THE COUNTY OF RIVERSIDE AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF THE DESIGN, DEVELOPMENT, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF A BEHAVIORAL HEALTH FACILITIES CAMPUS IN THE UNINCORPORATED MEAD VALLEY AREA OF THE COUNTY OF RIVERSIDE, CALIFORNIA

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

<u>Section 1</u>. FINDINGS. The Board of Supervisors of the County of Riverside finds that:

- a. The County of Riverside (the "County") is the owner of an approximately 19.41 acre parcel of real property located at the northwest corner of Harvill Avenue and Water Avenue, south of the City of Riverside and west of the City of Perris, in the unincorporated Mead Valley area of Riverside County, California (the "Land").
- b. P3 Riverside Holdings, LLC ("P3"), the sole member of which is P3 Foundation Inc., a North Carolina nonprofit corporation, has been formed as a limited liability company for the purpose of assisting the County in the design, development, construction, installation, furnishing and equipping of a behavioral health facilities campus and related facilities on the Land (the "Project"), for use by the County.
- c. The County, as the owner of the land on which the Project will be constructed, will enter into a ground lease of the Land with P3 (the "Ground Lease").
- d. In order to finance the Project, P3 has requested that the California Enterprise Development Authority (the "Authority") issue tax-exempt bonds, to be designated as the "Lease Revenue Bonds (Riverside County Mead Valley Wellness Village Project), Series 2024" or similar designation in an aggregate principal amount to be determined (the "Bonds").
- e. P3 proposes to enter into a Facilities Lease Agreement (the "Facilities Lease") under which P3 will undertake the Project and lease the Leased Premises (as such term is defined in the Facilities Lease) to the County.

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- 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 Project is necessary to meet the County's needs for facilities to provide behavioral health services to residents of Riverside County.
- h. The County does not wish to undertake directly the governmental burden associated with the Project and has determined that the proposal by P3 is the most efficient means for managing the financing and construction of the Project.
- The transaction as proposed constitutes a public leaseback that the County wishes to approve in accordance with Section 54241 of the California Government Code.
- j. Environmental review pursuant to the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000. Et seq. has been completed for the Project. The County will adopt a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program concurrently with approval of this ordinance, finding that there is no substantial evidence that the Project will have a significant effect on the environment.
- <u>Section 2</u>. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of the Project in the unincorporated Mead Valley area of Riverside County.
- <u>Section 3</u>. AUTHORITY. This ordinance is adopted pursuant to California Government Code Section 54241.
- <u>Section 4</u>. AUTHORIZATION OF PUBLIC LEASEBACK. The public leaseback as set forth in this ordinance is authorized.
 - a. Upon completion of negotiations of the Ground Lease and Facilities Lease, the County shall consider approving and authorizing execution of the Ground Lease and the Facilities Lease. The final schedule of base 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 P3 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 P3 solely for the purposes of approving the issuance by the Authority of the Bonds to finance the Project under applicable tax law. 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 Leased 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 for the Bonds, the County is hereby authorized to enter into an undertaking in a form acceptable to the participating underwriter.
- 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.

1	Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after
2	its adoption.
3	Adopted: 989 Item 3.28 of 04/09//2024 (Eff: 05/09/2024)
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