ORDINANCE NO. 1013

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 MEDICAL OFFICE BUILDING IN THE CITY OF MORENO 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. The County of Riverside (the "County") is the owner of the real property comprising the Riverside University Health System Medical Center located at 26520 Cactus Avenue, Moreno Valley, California, bounded on the east by Nason Street, on the north by Brodiaea Avenue, on the west by privately owned land and on the south by Cactus Avenue (the "Medical Center Property").

b. The County has determined that there is a need to increase behavioral health inpatient beds, critical care inpatient beds and emergency room expansion, including new emergency and trauma bays and support services on the Medical Center Property (the "Master Project").

c. The County did not wish to undertake directly the governmental burden associated with the Master Project and has, pursuant to a Request for Proposal released by Facilities Management – Real Estate Division in June 2022, sought proposals for qualified developers to master plan and propose, plan and develop the Master Project.

d. Following a review of proposals from qualified developers, the County selected Trammell Crow So. Cal. Healthcare Development, Inc., a Delaware corporation ("Trammell Crow"), to undertake the Master Project.

e. The Master Project is necessary to meet the County's objective to provide health services to residents of Riverside County.

f. A component of the Master Project is the design, development, construction, installation, furnishing and equipping of a medical office building on the Medical Center Property comprising approximately 56,556 square feet of space with related infrastructure to serve the Medical Center Property (the “MOB Project”) to provide outpatient services. The MOB Project will be located at the southwest corner of the Medical Center Property (the “MOB Land”).

g. TC Riverside MOB II, LLC, a Delaware limited liability company (“TC”), whose sole member is Trammell Crow, has been formed as a limited liability company for the purpose of completing the MOB Project.

h. The County, as the owner of the MOB Land on which the MOB Project will be constructed, will enter into a Ground Lease Agreement with TC with respect to the MOB Land (the “Ground Lease”).

i. In order to finance the MOB Project, TC has requested that the California Enterprise Development Authority (the “Authority”) issue tax-exempt bonds, to be designated as the “California Enterprise Development Authority Lease Revenue Bonds (Riverside County – Moreno Valley Medical Office Building Project), Series 2026” or similar designation in an aggregate principal amount to be determined (the “Bonds”).

j. TC proposes to enter into a Facilities Lease Agreement (the “Facilities Lease”) under which TC will undertake the MOB Project and lease the Leased Premises (as such term is defined in the Facilities Lease) to the County.

k. 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.

l. The MOB Project is necessary to meet the County’s needs for facilities to provide behavioral health services to residents of Riverside County.

m. The County does not wish to undertake directly the governmental burden associated with the MOB Project and has determined that the proposal by TC is the most efficient means for managing the financing and construction of the MOB Project.

n. The transaction as proposed constitutes a public leaseback that the County wishes to approve in accordance with Section 54241 of the California

Government Code and is subject to the provisions for referendum applicable to the County.

o. Environmental review has been completed for the MOB Project and the County has certified the RUHS Medical Center Master Plan and Phase I Development EIR, of which the MOB Project is a part.

p. Section 2. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of the MOB Project in the City of Moreno Valley.

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 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 TC lease the MOB Land pursuant to the anticipated Ground Lease and undertake the MOB Project and thereby relieve the County of the governmental burden thereof. The County hereby approves TC solely for the purposes of approving the issuance by the Authority of the Bonds to finance the MOB 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 MOB Project financed by the Bonds, including any additions to the Leased Premises, when the Bonds are discharged. At such time, title to the MOB 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.

<u>Section 5</u>. 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: 3.17 of 09/01/2026 (Eff: 09/30/2026) (Pub:09/09/2026)