

**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”).
- 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.

- 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.
- 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:** 952 Item 19.1 of 04/30/2019 (Eff: 05/29/2019)