



Agenda

Tuesday, March 22, 2016

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**
Approval of the minutes from the March 8, 2016 regular meeting.

3. **NEW BUSINESS ACTION ITEMS**
A. Consider approving resolution 16-01A for Mark Day School, City of San Rafael, County of Marin; up to \$9,000,000 of tax exempt obligations. (Staff – Scott Carper)

4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

5. **STAFF UPDATES**

6. **ADJOURNMENT**
Adjourn as the California Public Finance Authority.



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2. APPROVAL OF MINUTES

Approval of the minutes from the March 8, 2016 regular meeting.



Action Summary

Tuesday, March 8, 2016

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **B 1** **CALL TO ORDER**
ROLL CALL – Clerk to the Board
ALL MEMBERS PRESENT

2. **APPROVAL OF MINUTES**
Approval of the minutes from the February 23, 2016 regular meeting.
ACTION: APPROVED AS PRESENTED (RF/CP/JN/RV/DV-Aye)

3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 16-01I for:
 1. Guest House, LP (Guest House), City of Santa Ana, County of Orange; up to \$15,000,000 of revenue bonds.
 2. 10632 Bolsa Avenue, LP (Sycamore Court), City of Garden Grove, County of Orange; up to \$15,000,000 of revenue bonds.B. Consideration of approving resolution 16-01M for City of Santa Ana as an additional program participant to the Authority. (Staff – Caitlin Lanctot)
ACTION: APPROVED AS PRESENTED (JN/CP/RV/RF/DV-Aye)

4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
None

5. **STAFF UPDATES**
None

6. **ADJOURNMENT**
The meeting was adjourned at 11: 08 a.m..



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3. NEW BUSINESS ACTION ITEMS

- A. Consider approving resolution 16-01A for Mark Day School, City of San Rafael, County of Marin; up to \$9,000,000 of tax exempt obligations. (Staff – Scott Carper)



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DATE:	MARCH 22, 2016
APPLICANT:	MARK DAY SCHOOL
AMOUNT:	UP TO \$9 MILLION OF TAX-EXEMPT OBLIGATIONS
PURPOSE:	FINANCING CAPITAL IMPROVEMENTS
PRIMARY ACTIVITY:	K-8 SCHOOL
LEGAL STRUCTURE:	NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Mark Day School (the "School") is a fully accredited, independent, nonreligious school for students in grades kindergarten through 8. The School first opened for classes as Saint Mark's School in September 1980 with the guiding philosophy to provide high-quality education in an atmosphere of love and care in which each member of the community was responsible for the well-being of the others. In 1991, the School moved to its current site located at 39 Trellis Drive in San Rafael, California (the "Campus"). The School currently serves approximately 383 students and supports 68 faculty and staff.

The School was accredited in 1984 by the Western Association of Schools and Colleges (WASC) and was given full membership in the National Association of Independent Schools (NAIS) and the California Association of Independent Schools (CAIS). Recognized for its robust curricular programs in technology and media literacy, the school was named a Leading Edge Technology School by NAIS in 2005.

Development of good character has been at the heart of the School since inception. In 1997, the community formally adopted Seven Pillars of Character, which set foundational values for all students and staff. The Seven Pillars include: caring, courage, citizenship, respect, responsibility, honesty, and fairness. The School's Mission is to discover and nurture what is finest in each child in a vibrant, inclusive learning community. Innovative and full of heart, the School strives to develop well-rounded critical thinkers in a challenging program that fosters academic excellence and responsible world citizenship.

Description of Proposed Project:

The School's plan is to enhance the 50-year-old campus by creating a Learning Commons (or school library) and Creativity Lab that will replace the existing administrative building at the front of the school. The new, 11,270 square foot building will serve as a 21st century learning center for students, as well as replace office space for staff. This project is to enable students to learn the skills they need in today's world: to create, to collaborate, to access information and resources in depth, to filter the massive amounts of information available and transform it into meaningful knowledge, to use technology effectively and seamlessly, and more.



The school had originally requested CalPFA to issue \$8,000,000 in tax-exempt obligations to pay for the costs of demolition of an existing building and construction and equipping of the new learning center. Due to the rise of construction costs the staff is bringing this back for approval. The school is now requesting CalPFA to issue \$9,000,000 in tax-exempt obligations to pay for the costs of demolition of an existing building and construction and equipping of a new learning center

TEFRA Information:

A TEFRA hearing was held by the County of Marin on March 1, 2016 and the Board of Supervisors unanimously approved the proposed financing. Kings County held a TEFRA hearing on March 1, 2016 as well and it was also approved.

Financing Structure:

The Bonds will mature in no more than 27 years and bear interest at a fixed 3.75%. The Bonds will be purchased at closing by the Bank. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax-Exempt Bond Proceeds	\$	<u>9,000,000</u>
Total Sources:	\$	9,000,000

Uses:

Construction or remodel	\$	8,800,000
Cost of Issuance	\$	137,000
Capitalized Interest	\$	<u>63,000</u>
Total Uses:	\$	9,000,000

Recommendations:

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that the Board of Directors approve the Resolution as submitted to the Board, which:

1. Approves the issuance of an obligation;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.



CALIFORNIA PUBLIC FINANCE AUTHORITY

Attachment 1

Public Benefit:

With more than 40% of students coming from San Rafael, the School has a deep connection with the community. The School has been located in San Rafael since it was founded in 1980 and has been a part of the Terra Linda neighborhood for more than 25 years. The School has created many longstanding reciprocal partnerships with local nonprofits and community organizations, such as the Canal Alliance, the Marin County Open Space District, Dixie Terra Linda Little League, and Dixie Youth Soccer. The school also maintains a Safe Route to School for the Vallecito School and an electric car station open to the public.

Diversity

The School believes that joy, enrichment, and compassion spring from honoring the diversity of the human community. Learning about the families, cultures, traditions, and beliefs of others, as well as learning to respect a range of perspectives and opinions, is not only enriching, it is essential for academic excellence and responsible world citizenship. When choosing Mark Day School, families and employees become part of a socially responsible community striving to become conscious of, and teach about, all aspects of diversity and inclusiveness. The following principles are in keeping with the school's Seven Pillars of Character and reflect its identity and mission.

Financial Aid

The School is committed to keeping education accessible to families from a variety of socioeconomic backgrounds. 24% of the student body receives some form of tuition assistance, with \$1.6 million in financial aid provided last year to families.

Community Engagement

Partnerships, both within the school and with a variety of organizations, offers students opportunities to reach beyond their own experience and develop habits that both promote personal growth and contribute to the common good. In the context of cross-cultural and cross-generational relationships, students develop skills in communicating and working with people from many backgrounds. This ultimately empowers them to form meaningful, long-term relationships. At the heart of the School's partnerships lies the idea of reciprocity: Everyone involved has something to learn and something to give.

Relationships with local organizations afford students rewarding experiences in working with people of different ages and from all walks of life. Students in grades K through 8 engage with, contribute to, and learn from agencies in the Marin community at an age-appropriate level. For example, 2nd graders regularly visit the Aldersly senior residence and 6th graders spend time reading and playing with preschoolers at Head Start schools in the Canal district of San Rafael. Upper Division students spend a full day volunteering at the Cedars of Marin, which provides supportive housing and services for developmentally challenged adults. The 7th graders participate in a joint leadership program with students from the Canal Alliance, a nonprofit that serves low-income, Spanish-speaking immigrant families in Marin. The students offer reciprocal tutoring and cultural exchange to each other and participate in programs to improve technology, public-speaking, interviewing and empirical research.

RESOLUTION NO. 16-01A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF AN OBLIGATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000, FOR THE PURPOSE OF FINANCING OR REFINANCING CAPITAL IMPROVEMENTS TO CERTAIN FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO, TO BENEFIT MARK DAY SCHOOL

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"), Kings County and the Housing Authority of Kings County (the "Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement and under the Act to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of certain projects;

WHEREAS, Mark Day School, a California nonprofit corporation (the "Corporation") has requested that the Authority participate in issuing one or more tax-exempt obligations (the "Obligation") in an aggregate principal amount not to exceed \$9,000,000, for the purpose of making a loan to the Corporation to finance and refinance (1) the costs of demolition of an existing building and construction and equipping of an approximately 11,270 sq. ft. new building to be used for educational purposes and administrative office space located at 39 Trellis Drive, San Rafael, California 94903 (the "Facilities"), (2) miscellaneous construction, renovation, and improvements to and equipping of the Facilities, and (3) various costs of issuance and other related costs with respect to the Loan (collectively, the "Project");

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and/or refinancing the Project;

WHEREAS, pursuant to a Master Loan Agreement to be executed by First Republic Bank (the "Lender"), the Authority and the Corporation (the "Master Loan Agreement"), the Authority will make a tax-exempt loan to the Corporation in a principal amount not exceeding \$9,000,000, for the purpose of financing and/or refinancing the Project;

WHEREAS, the Project is used and operated by the Corporation and is located within the County of Marin;

WHEREAS, the County of Marin is an Additional Member of the Authority;

WHEREAS, the Board of Supervisors of the County of Kings (the "Kings Board of Supervisors") is the elected legislative body of the County of Kings and is the applicable

elected representative under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to Section 147(f) of the Code, the Kings Board of Supervisors has, following notice duly given, held a public hearing regarding the issuance of the Bonds by the Authority, and will approve the issuance of the Bonds by the Authority;

WHEREAS, pursuant to the policies of the Authority, the Obligation may only be assigned to Qualified Institutional Buyers (as defined in the Master Loan Agreement) and the Lender will sign an investor letter confirming that it is a Qualified Institutional Buyer and certain other related matters;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Public Finance Authority, as follows:

Section 1. Pursuant to the Act and the Master Loan Agreement, the Authority is hereby authorized to issue the Obligation in an aggregate principal amount not to exceed Nine Million Dollars (\$9,000,000). The Obligation shall be issued and secured in accordance with the terms of the Master Loan Agreement.

Section 2. The proposed form of Master Loan Agreement, as made available to the Board of Directors, is hereby approved. Any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 15-01C of the Authority, adopted on July 14, 2015 (each, an "Authorized Signatory") is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, tender provisions, and other terms of the Obligation shall be as provided in the Master Loan Agreement, as finally executed.

Section 3. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Obligation, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 4. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Obligation are hereby approved, confirmed and ratified.

Section 5. It is the purpose and intent of the Board of Directors that this Resolution constitute approval of the issuance of the Bonds by the Authority for the purpose of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Authority is located.

Section 6. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 22nd day of March 2016.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on March 22, 2016.

By: _____
Authorized Signatory
California Public Finance Authority