

OFFICE OF THE CITY MANAGER

March 10, 2008

TO: City Council

FROM: City Manager

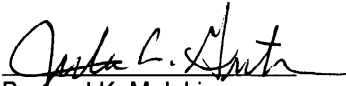
SUBJECT: Agenda Item 6. D. 1. - Continued Public Hearing: Issuance of Variable Rate Demand Student Housing Revenue Bonds by the Colorado Educational and Cultural Facilities Authority to Finance Projects for Fuller Theological Seminary

The agenda report presented to City Council on February 25th concerning the use of Variable Rate Demand Student Housing Revenue Bonds by Fuller Theological Seminary made incorrect reference to the number of housing units located in the Fair Oaks Court project to be purchased with funds from the subject financing.

Funds resulting from this transaction will be used to purchase four units in the project, specifically the properties located at 20, 34, 36 and 44 East Peoria Street. Each of these units, pursuant to an agreement between Fuller and the developer of the project, Heritage Housing Partners, are unrestricted sale units (i.e. market rate). Another three units (24, 32, and 46 East Peoria Street) which are not connected to this financing, have been designated as "workforce housing" and will be purchased directly by qualifying faculty and administrators employed by Fuller.

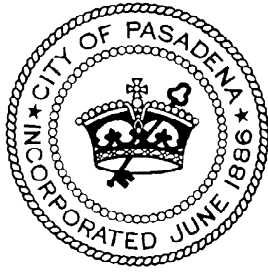
Consequently, both the California Public Approval Certificate and the project description (page 2 of the report) have been corrected to reflect this as well as the amount of the financing to be applied to each of the three projects outlined in the report.

Respectfully submitted,


Bernard K. Melekian
City Manager

City Hall
100 N. Garfield Avenue
Mailing Address: P.O. Box 7115 · Pasadena 91109-7215
(626) 744-4333 · Fax (626) 744-4774
bmelekian@cityofpasadena.net

03/10/2008
6.A 7:30 P.M.



Agenda Report

TO: CITY COUNCIL **DATE:** FEBRUARY 25, 2008
FROM: CITY MANAGER
SUBJECT: ISSUANCE OF VARIABLE RATE DEMAND STUDENT HOUSING REVENUE BONDS BY THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY TO FINANCE PROJECT FOR FULLER THEOLOGICAL SEMINARY.

RECOMMENDATION:

It is recommended that the City Council:

1. Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing and approve the issuance of Variable Rate Demand Student Housing Revenue Bonds by the Colorado Educational and Cultural Facilities Authority in an aggregate principal amount not to exceed \$22 million to be used to finance and/or refinance the acquisition, construction, improvement, furnishings and equipping of certain facilities.
2. Authorize the Mayor to execute the attached California Public Approval Certificate to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code.

BACKGROUND:

On November 20th 2006, the City Council approved the Fuller Theological Seminary Master Development Plan. The Master Plan as Conditioned was allowed within the applicable zoning district and complied with all applicable provisions of this zoning code. The Master Development Plan includes three projects which need financing as described below.

STR0831

03/10/2008
MEETING OF 02/25/2008

6.A. 7:30 P.M.
AGENDA ITEM NO. 6.D. - 7:30 P.M.

David Allan Hubbard Library

The David Allan Hubbard Library addition to the existing McAllister Library, located on campus at 91 North Oakland Avenue is a component in the Fuller Theological Seminary approved Master Development Plan. The David Allan Hubbard Library addition was designed by William McDonough & Partners, architects, Charlottesville, VA. The contractor is DPR Construction, Newport Beach, CA. The project is a 51,000 square foot addition to the existing 48,000 square foot McAllister Library. The addition will be attached to the existing library allowing for integration of the operations of both facilities. The David Allan Hubbard addition consists of two below grade levels designed for compact storage and three above grade levels for book stacks and study carrel space. The existing McAllister Library will be remodeled and modernized. Construction began in October, 2007 and is scheduled for completion in June, 2009. The project budget is \$27,475,611. Fuller Theological Seminary capital fund raising has secured \$18,300,000 in capital gifts designated to this project; the library project requires financing in the amount of approximately \$9,175,611.

Student Service Center

The Student Services Center facility located on campus at 250 North Madison Avenue was purchased June 2, 2003 for the purpose of providing a centralized facility for all support operations related to service related transactions with students. The building was purchased and modernized for an all-in cost \$12,000,000. The facility consists of one level below grade with an atrium and three floors above grade. The building is 38,400 square feet and lot size is 59,984 square feet. Parking on site includes sixty-eight spaces. All electrical, heating, air-conditioning and plumbing and elevator were rebuilt. Operations in the facility include housing administration, career services, security & parking, registrar, admissions, international student services, financial aid, administrative offices for extensions and distance learning programs. The facility provides one hundred workstations for staff and a conference room. Classroom space is limited to 1837 square feet. The balance of existing indebtedness to be refinanced is approximately \$7,800,000.

Faculty Housing

The Fair Oaks Court affordable housing project includes four detached craftsman style homes. The inventory of units includes two, three and four bedroom units located at 20, 34, 36 and 44 Peoria Street fully restored and rebuilt craftsman style homes. All units are to be purchased in a single transaction closing May 1, 2008. The homes are less than one mile from campus allowing faculty to limit commute time to a twenty minute walk. The units are adjacent to each other surrounding a common courtyard. Purchase price of the units is \$3,100,000.

Pursuant to section 147(f) of the Internal Revenue Service Code, prior to their issuance, the bonds are required to be approved by the "applicable elected representative" of the government unit on whose behalf the bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed or refinanced by the bonds is to be located, after a public hearing held following reasonable public notice.

FISCAL IMPACT:

There is no fiscal impact to the City. The approval of the financing and the execution of the certificate by the Mayor comply with the requirements of Section 147(f) of the Internal Revenue Service Code. The City of Pasadena does not bear any responsibility for the tax exempt status of the bonds, the debt service on the bonds or any other matter related to the bonds. In no event shall the City be liable for such bonds nor shall the Bonds constitute a debt of the City for any purpose.

Respectfully submitted,



Bernard K. Melekian
City Manager

Prepared by:



Vic Erganian
Acting Deputy Director of Finance

Approved by:



Steve Stark
Director of Finance