

Agenda Report

TO: CITY COUNCIL **DATE:** August 17, 2009
FROM: CITY MANAGER
SUBJECT: RESOLUTION FOR THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY REVENUE
BONDS FOR POLYTECHNIC SCHOOL.

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution approving the issuance of the California Statewide Communities Development Authority Revenue Bonds (Polytechnic School), series 2009 in an aggregate principal amount not to exceed \$25,000,000 for the purpose of financing the acquisition, construction, improvement and equipping of existing and new school facilities and certain other matters relating thereto.

BACKGROUND:

Polytechnic School (the "School" or "Polytechnic") is an independent co-educational day school located in Pasadena, California. The School is a non-profit corporation organized under the laws of the State of California and is exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986.

Polytechnic was established in 1907. Today, the School enrolls approximately 855 students in grades kindergarten through twelve and graduates approximately 90 twelfth grade students per year.

Polytechnic provides college preparatory education to a diverse student body in grades kindergarten through twelfth, and offers an alternative to public education to the residents of Pasadena and the greater Los Angeles community. The

School's programs are suited to specific grade levels, and include a variety of academic, arts, sciences, languages and athletic offerings.

The School's campus consists of 31 buildings on approximately 15 acres. The School's original buildings were designed by renowned Pasadena architect Myron Hunt and feature an "open air" school design with residential-scale classrooms and adjacent courtyards and playgrounds.

In April 2005, the City of Pasadena, California (the "City") approved a ten-year development plan for Polytechnic (the "Master Plan"), which permits up to 20,000 square feet of new construction on South Campus and up to 10,000 feet of new construction in athletic facilities, provided that the maximum net square footage of the entire campus may not increase by more than 45,000 square feet (excluding the underground garage). The Master Plan includes the North Campus project and a new science/math/library building along with other renovations on the South Campus.

The School will apply the proceeds of the Bonds and other available funds to finance the design and development costs related to the Master Plan and renovation, construction, installation, furnishing and equipping of several new buildings on the North Campus and other related improvements to the School's campus (collectively, the "Project"). The principal new construction components of the Project are:

- a 280 space subterranean parking facility;
- the Booth-Munger Building, a two story building that will house classrooms and science labs for the Lower and Middle Schools as well as administrative offices;
- a one-story kindergarten classroom building;
- a two-story library media center building for the Lower and Middle School;
- a modernized central heating and cooling plant for the North Campus

The Project also includes (i) the relocation and renovation of two historically recognized buildings, one to provide dedicated space for the Lower and Middle School choral and instrumental music programs and one to service as the dining hall and community space for the Lower and Middle School, (ii) renovation of other historical classrooms, (iii) approximately 10,000 square feet of additional courtyard and play space, (iv) improved student drop-off and pick-up areas to accommodate more off-street traffic during high-traffic periods and (v) various improvements to public parkways. Construction began on the Project in June 2009 and is expected to be completed by fall 2011. Upon completion of the Project, the School's campus will consist of 29 buildings.

Polytechnic selected Morley Construction Company, a California corporation, to serve as the general contractor (the "General Contractor") for the Project,

pursuant to a guaranteed maximum price construction contract between the School and the General Contractor.

HMC Architects, the architect for the Master Plan including the Project, has assisted Polytechnic with the entitlement process, site plan and building design. The City has approved the entitlements and site plan for the Project as part of the City's overall approval of the Master Plan, and approved the design plans for the Project. The School believes it has obtained all discretionary approvals and entitlements required for the Project. The City's detailed plan check process is underway for the Project, and that process is expected to continue throughout the Project.

FISCAL IMPACT:

There is no fiscal impact to the City. The adoption of the Resolution approving the project and the issuance of the bonds complies 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 nor any other matter related to the bonds.

Respectfully submitted,



Michael Beck, City Manager

Prepared by:



Vic Erganian
City Treasurer/Deputy Director of Finance

Approved by:



Andrew Green
Director of Finance

RESOLUTION NO _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA APPROVING
THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY REVENUE BONDS (POLYTECHNIC SCHOOL),
SERIES 2009 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$25,000,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION,
CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF EXISTING AND NEW
SCHOOL FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, Polytechnic School, a California nonprofit public benefit corporation (the "Corporation"), has requested that the California Statewide Communities Development Authority (the "Authority") participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$25,000,000 (the "Bonds") for the acquisition, construction, improvement and equipping of certain existing and new school facilities (the "Facilities") to be owned and operated by the Corporation and located within the City of Pasadena (the "City"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Facilities are located within the territorial limits of the City; and

WHEREAS, the City Council (the "City Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Pasadena as follows:

Section 1. The City hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the issuer of the Bonds and the

governmental unit having jurisdiction over the area in which the Facilities are located, in accordance with said Section 147(f) and (b) Section 9 of the Agreement.

Section 2. The officers of the City of Pasadena are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Pasadena this ____ day of _____, 2009.

AYES:

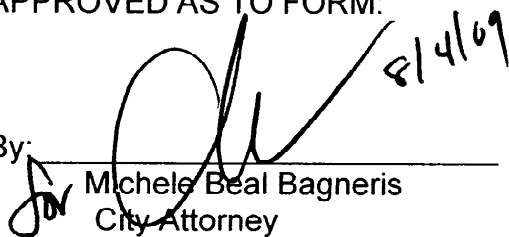
NOES:

ABSENT:

MARK Jomsky, CMC
City Clerk

APPROVED AS TO FORM:

By:

 8/4/09

Michele Beal Bagneris
City Attorney