

Agenda Report

January 10, 2011

TO: Honorable Mayor and City Council

FROM: Director of Finance

SUBJECT: TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) HEARING AND ISSUANCE OF VARIABLE RATE DEMAND REFUNDING REVENUE BONDS BY THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY TO FINANCE A REFUNDING PROJECT FOR FULLER THEOLOGICAL SEMINARY.

RECOMMENDATION:

It is recommended that the City Council hold a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing and adopt a resolution approving the issuance of Colorado Educational and Cultural Facilities Authority Revenue Bonds in a maximum aggregate principal amount of \$60,000,000 for the purposes of financing and refinancing the costs of acquisition, construction, improvement and equipping of certain educational facilities and certain other matters related thereto.

BACKGROUND:

Fuller Theological Seminary desires to refinance and refund all of its outstanding Colorado Educational and Cultural Facilities Authority Variable Rate Demand Student Housing Revenue Bonds, Series 2004A and all of its outstanding Colorado Educational and Cultural Facilities Authority Variable Rate Demand Revenue Bonds, Series 2008. These bonds were issued to finance the cost of acquiring land including retiring certain acquisition and other debt, purchasing facilities, and constructing, improving and equipping student housing, expanding the campus library, and acquiring certain residential units for faculty housing together with a related structured parking garage and making other capital improvements.

Since this is a refinancing, there are no outstanding permits or other City approvals required. All construction has been completed. The recommended bond issue is a refinancing for savings purposes. The new bond issue will be directly placed with U.S. Bank or an affiliate and, therefore, no public offering of the bonds will take place.

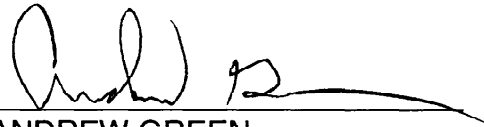
COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility.

FISCAL IMPACT:

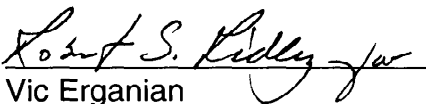
There is no fiscal impact to the City. The adoption of the resolution approving the issuance of the bonds complies with the requirements of Section 147(f) of the Internal Revenue Service Code. The City of Pasadena does not bear any responsibility for the tax exempt status of the bonds, the debt service on the bonds, or any other matter related to the bonds.

Respectfully submitted,



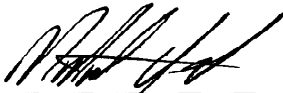
ANDREW GREEN
Director of Finance

Prepared by:



Vic Erganian
Deputy Director of Finance/City Treasurer

Approved by:



MICHAEL J. BECK
City Manager

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA APPROVING THE ISSUANCE OF COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY REVENUE BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$60,000,000 FOR THE PURPOSES OF FINANCING AND REFINANCING THE COSTS OF ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Fuller Theological Seminary (the "Corporation"), an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), has requested that the Colorado Educational and Cultural Facilities Authority (the "Authority") participate in the issuance of one or more series of refunding revenue bonds in an aggregate principal amount not to exceed \$60,000,000 (the "Bonds") to be used to: (a) refinance and refund the outstanding Colorado Educational and Cultural Facilities Authority Variable Rate Demand Student Housing Revenue Bonds, Series 2004A, (Fuller Theological Seminary Project) and the outstanding Colorado Educational and Cultural Facilities Authority Variable Rate Demand Revenue Bonds, Series 2008, (Fuller Theological Seminary Project) (the "Prior Bonds") previously issued by the Authority to finance for the Corporation the cost of acquiring land, including retiring certain acquisition and other debt, purchasing facilities and constructing, improving and equipping student and faculty housing, together with a related structured parking garage, expanding the campus library and making other improvements, which are available to students of the Corporation and other authorized persons (the "Facilities"), all of which are located in the City of Pasadena, California (the "City"); (b) fund a debt service reserve and other reserves, if necessary; and (c) pay certain costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, the Bonds are required to be approved by the "applicable elected representative" of the governmental 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; and

WHEREAS, the facilities to be financed and refinanced are located within the territorial limits of the City; and

WHEREAS, the members of the City Council are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City of Pasadena, a notice that a public hearing regarding the Bonds would be held on the date hereof; and

WHEREAS, such public hearing was conducted on the this date by the City Council, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds and the Project required by Section 147(f) of the Code;

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

1. The above recitals are true and correct.

2. The City Council hereby approves the issuance of the Bonds by the Authority and the Project to be financed and refinanced thereby. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of Section 147(f) of the Code and the approval of the Project. 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.

3. The Mayor and the Vice-Mayor 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.

4. This resolution shall take effect immediately upon its adoption.

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Adopted at the _____ meeting of the City Council on the _____
of _____, 2011 by the following vote:

AYES:

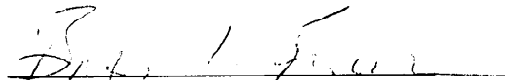
NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Brad L. Fuller
Assistant City Attorney