

# Agenda Report

**TO:** CITY COUNCIL **DATE:** July 17, 2006

**FROM:** CITY MANAGER

**SUBJECT:** RESOLUTION FOR THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY REVENUE BONDS FOR MARANATHA HIGH SCHOOL.

## **RECOMMENDATION:**

It is recommended that the City Council adopt a Resolution approving the issuance of the Colorado Educational and Cultural Facilities Authority Revenue Bonds, Series 2006, in an aggregate principal amount not to exceed \$32 million to be used to finance or refinance the acquisition, construction, improvement, furnishings and equipping of certain educational facilities and certain other matters relating thereto.

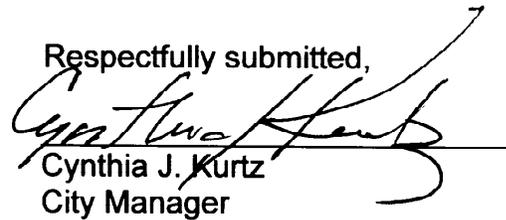
## **BACKGROUND:**

In May 2004, Maranatha High School purchased nearly 13 acres of real estate in the heart of Pasadena, situated at 169 S. St. John Avenue. The acreage included several buildings well suited for an educational institution that were once used by the former Ambassador College. Since September 2005, Maranatha has been operating its high school on this new campus. With this opportunity has come the responsibility to manage the school's finances prudently with a long term perspective of generations to come. The Revenue Bonds would be used to refinance existing bank debt of approximately \$20 million, purchase additional adjacent property, consisting of two mansions and several acres for approximately \$6 million, and to acquire sufficient construction funds for completion of both current and future renovation projects on the campus.

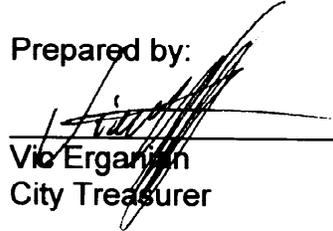
**FISCAL IMPACT:**

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.

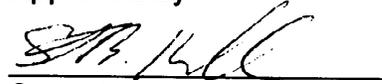
Respectfully submitted,

  
Cynthia J. Kurtz  
City Manager

Prepared by:

  
Vic Ergar  
City Treasurer

Approved by:

  
Steve Mermell  
Acting Director of Finance

**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 \$32,000,000 FOR THE PURPOSES OF FINANCING AND  
REFINANCING THE COSTS OF ACQUISITION, CONSTRUCTION,  
IMPROVEMENT, RENOVATION, REMODELING, FURNISHING AND EQUIPPING  
OF CERTAIN EDUCATIONAL FACILITIES AND CERTAIN OTHER MATTERS  
RELATING THERETO**

WHEREAS, Maranatha High School (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 revenue bonds in an aggregate principal amount not to exceed \$32,000,000 (the "Bonds") to be used to (i) finance and refinance the costs of acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain educational facilities including but not limited to the acquisition of properties adjacent to the Corporation's existing campus and renovation and equipping of the Corporation's existing facilities, located at 169 S. St. John Avenue, Pasadena Village, California 91105 (collectively, the "Facilities"); and (ii) refinance certain existing indebtedness of the Corporation, the proceeds of which were used to finance the cost of acquiring, constructing and equipping the Facilities (collectively, the "Project"), which are owned and operated by the Corporation and located within the City of Pasadena, California (the "City"); 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:

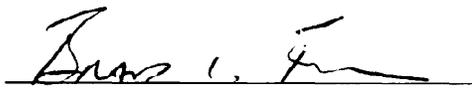
1. The above recitals are true and correct.
2. The City Council hereby approves the issuance of the Bonds by the Authority and the Project to be financed and refinanced thereby. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of 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.

PASSED AND ADOPTED by the City Council of the City of Pasadena this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

AYES:  
NOES:  
ABSENT:

By: \_\_\_\_\_  
City Clerk of the City Council  
of the City of Pasadena

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Brad L. Fuller,  
Assistant City Attorney