MEETING DATE: **December 10, 2012**

AGENDA ITEM: **Adoption of a Resolution Approving the Issuance of Tax Exempt Bonds by the California Municipal Finance Authority for Park Century School to Finance and Refinance Educational Facilities.**

ATTACHMENTS

RESOLUTION NO. 2012-R ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING A FINANCING TO BE UNDERTAKEN BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO BENEFIT PARK CENTURY SCHOOL IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $15,000,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF EDUCATIONAL FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, effective as of January 1, 2004 (the "Agreement"), in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of Culver City is a member of the Authority; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, Park Century School, a nonprofit public benefit corporation (the "School"), and an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986 (the "Code") has requested that the Authority participate in a plan of finance involving the incurrence of one or more tax-exempt loans in an aggregate principal amount not to exceed $15,000,000 (collectively, the "Bonds") to:

(1) Refinance the School's obligations under a loan agreement related to the $10,000,000 California Statewide Communities Development

Authority Variable Rate Demand Revenue Bonds (Park Century School) Series 2007 (the "Series 2007 Bonds") the proceeds of which were used by the School for:

(a) The design, construction, acquisition, installation, renovation and improvement of real property, facilities, equipment and improvements of the School's educational facilities located on its campus at 3939 Landmark Street in Culver City, California (the "Campus"), including but not limited to demolition of certain parts of the then-existing structure, earthquake retrofitting, and complete renovation of the existing building into a school building that will include classrooms, offices, meeting rooms, a gym and a stage, renovation of the parking lot, and landscaping of the Campus;

(b) Miscellaneous construction, renovation, improvements, demolition, capital maintenance, equipment acquisition and installation thereof and improvements at the Campus;

(c) Refinancing of an outstanding bank loan originally used to finance acquisition of the site of the Campus; and

(d) Various costs of issuance, capitalized interest, related working capital and credit enhancement fees;

(2) Finance the design, construction, acquisition, installation, renovation and improvement of real property, facilities, equipment and improvements of the Campus;

(3) Pay the termination payment with respect to an interest rate swap related to the Series 2007 Bonds; and

(4) Pay costs of issuance and other related costs of the Bonds (collectively, the "Project").

The facilities financed as part of the Project will be owned by the School and used for the educational purposes thereof. The Project is located entirely within the territorial limits of the City of Culver City (the "City"); and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the City because the Project is located within the territorial limits of the City; and

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

WHEREAS, the Authority has requested that the City Council 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 4 of the Agreement; and

WHEREAS, a public hearing was held by the City Council on December 10, 2012, at the City Council meeting which commenced at 7:00 p.m., at the City Hall Council Chambers, 9770 Culver Boulevard, Culver City, California 90232 and all persons desiring to be heard have been heard; and

WHEREAS, it is in the public interest and for the public benefit that the City Council now desires to approve the issuance of the Bonds by the Authority.

NOW, THEREFORE, the City Council of the City of Culver City, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing resolutions are true and correct.

SECTION 2. The City Council hereby approves the issuance by the Authority of the Bonds to finance the Project. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds for the purposes of: (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f), and (b) Section 4 of the Agreement; provided, however, that this Resolution shall not constitute an approval by the City Council of the Project for any other purpose.

SECTION 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

SECTION 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 5. The City Manager, or designee, is hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

SECTION 6. The City Clerk shall forward a certified copy of this Resolution to:

Ronald Wolf, Esq.
Hawkins Delafield & Wood LLP
One Embarcadero Center, Suite 3820
San Francisco, California 94111

SECTION 7. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this ____ day of _______ 2012.

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ANDREW WEISSMAN, Mayor
City of Culver City, California

ATTEST:

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MARTIN R. COLE, City Clerk
A12-01019

APPROVED AS TO FORM:

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CAROL A. SCHWAB, City Attorney