

MEETING DATE: 10/23/06

**AGENDA ITEM: Public Hearing for Consideration of a Resolution
Approving Tax-Exempt Conduit Financing for Park Century School in an
Amount not to Exceed Twelve Million Dollars for a Project at 3939
Landmark Street.**

ATTACHMENTS

	<u>Pages</u>
1. Park Century School application to CSCDA	1 - 11
2. Resolution No. 2006-R____	12 - 15



Building Communities, Investing in Local Government Since 1988

September 22, 2006

Kellee Fritzel
Economic Development
City of Culver City
9770 Culver Boulevard
Culver City, California 90232

Subject: **Park Century School Tax Equity & Fiscal Responsibility Act (TEFRA) Hearing**

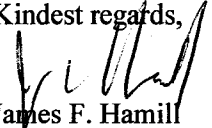
Dear Kellee:

Enclosed is a copy of the Park Century School application. Based upon this application we are requesting the City of Culver City hold the federally required TEFRA hearing. The hearing is required to issue tax-exempt bonds for the facilities located at 3939 Landmark Street in the City of Culver City.

California Statewide Communities Development Authority would issue the bonds and the City would have no liability for the bonds. I have requested Sean Tierney at Hawkins, Delafield & Wood, Bond Counsel, to confirm the liability issue and provide you with an explanation of the City's role in the TEFRA process, the required notice, and the resolution to evidence the TEFRA hearing. This information will arrive under separate cover.

It is my understanding the TEFRA hearing will be held on Monday, October 23, 2006, at 7:00 p.m. Thank you for your assistance. If you have any questions you may contact me at (925) 933-9229 ext 216.

Kindest regards,


James F. Hamill
Program Manager
California Statewide Communities
Development Authority

cc: Sean Tierney, Hawkins, Delafield & Wood;

Founding Co-Sponsors:-



California State Association of Counties



2033 North Main Street, Suite 700 • Walnut Creek, California 94596

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REC'D



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501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2006080092**
Name of Borrower: **Park Century School**
Primary Contact: **Fred Landau**
Title: **Business Manager**
Street Address: **2040 Stoner Avenue** Suite: _____
City: **Los Angeles** State: **CA** Zip Code: **90025**
Telephone Number: **310-478-5065**
Fax Number: **310-473-9260**
E-mail: **flandau@parkcenturyschool.org**
Type of Entity: ☐ For-profit Corporation ☒ Non-profit Corporation
☐ Municipality ☐ Partnership
☐ Other (specify): _____
Date Organized: **1968**

PROJECT INFORMATION

Type of Project:
Health Care: ☐ Continuing Care ☐ Clinic ☐ Hospital ☐ Assisted Living
☐ Skilled Nursing ☐ Other (specify): _____
Education: ☒ K-12 ☐ Colleges/Universities
Other: ☐ Museum/Cultural ☐ Other (specify): _____
Project/Facility Name: **New Campus for the School**
Street Address: **3939 Landmark Street**
City: **Culver City** State: **CA** Zip Code: **90232**
County: **Los Angeles**
Is Project located in unincorporated part of the County? **No**
Has the city or county in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:
Contact Name: _____
Title: _____
Phone Number: _____ Ext. _____
Fax Number: _____
E-mail: _____



Building Communities. Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount: **\$10,000,000**
Tax-exempt Amount: **\$10,000,000**
Taxable Amount: **\$0**

Proposed Closing Date: **11/09/2006**

Maturity: **30 Years** Interest Rate Mode: ☐ Fixed ☒ Variable

Type of Offering: ☒ Public Offering ☐ Private Placement
Denominations: **\$100,000**

Type of Financing: ☐ Acquisition of Existing Facility ☒ New Construction
☒ Refunding

Credit Enhancement: ☐ None ☒ Letter of Credit
☐ Bond Insurance ☐ Other (specify): _____

Name of Credit Enhancement Provider or Private Placement Purchaser: **Bank of America N.A.**

Expected Rating: ☐ Unrated ☐ S & P _____
☒ Moody's Aa1 ☐ Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT	BOND COUNSEL
Contact: Peter Evans	Contact: Sean Tierney
Firm: Banc of America Securities	Firm: Hawkins Delafield and Wood
Telephone: 415-953-9540	Telephone: 415-486-4201
Fax: 415-953-9336	Fax: 415-397-1513
E-mail: peter.evans@bankofamerica.com	E-mail: stierney@hawkins.com



Building Communities. Investing in Local Government Since 1988

501(c)(3) Nonprofit Bond Application

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
A	\$5,000 non-refundable* application fee payable to "CSAC Finance Corporation." This fee will be credited to your issuance costs at closing (see CSCDA Fee Policies).
B	Detailed Applicant History.
C	Description of project or each facility to be financed or refinanced.
D	Comprehensive summary of project public benefits.
E	Address of each facility to be financed or refinanced.
F	Evidence of credit enhancement or intent to purchase bonds.
G	List of outstanding tax-exempt debt.
H	Financial statements for last complete fiscal year.
I	Project Costs (Sources and Uses of Proceeds).
J	Interested Parties List.

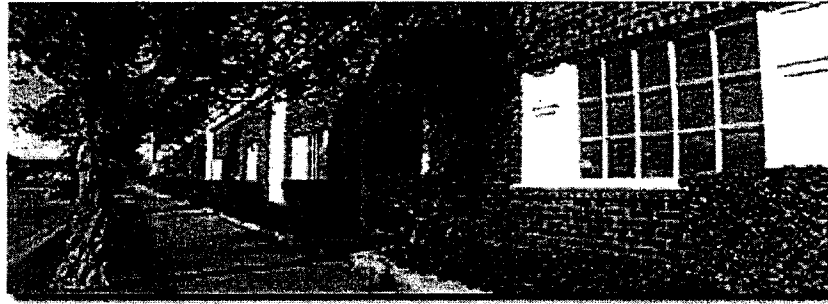
*Refundable only if financing not approved.

MAILING ADDRESS
California Communities
2033 N. Main St., Suite 700
Walnut Creek, CA 94596

Attachment A — Detailed Applicant History

INTRODUCTION

Founded in 1968, Park Century School ("Park Century" or the "School") is a non-profit independent co-educational day school designed to meet the specific educational needs of bright children, ages 7-14 years, who have learning disabilities.



The School serves students from communities in the South Bay to the San Fernando Valley and from Malibu to Hancock Park, including the greater Los Angeles area. The School's location allows it to make use of the city's many cultural resources, such as museums, theatres, historic sites and parks.

MISSION STATEMENT

The mission of Park Century School is to meet the educational, emotional and social needs of learning disabled students of average to superior intellectual potential and their families in an empathetic and supportive environment emphasizing academic success, maturity and independence.

PROGRAM OF INSTRUCTION

Daily one-to-one tutoring in small, ungraded classrooms is an underlying principle and value in Park Century's academic program. Each student receives tutoring every day in reading and every other day in math. Reading and math specialists assign each child daily follow-up work to be completed independently in the child's classroom. Students are encouraged to develop a positive self image, set realistic goals and learn skills and strategies necessary to return to a traditional school. In addition, Park Century believes that parent education and participation within a team approach are essential to each student's intellectual, emotional, social and moral development.

One-to-One Tutoring

The one-to-one tutoring relationship is among the strongest and most effective means of focusing on the student's specific needs. Park Century believes that one-to-one tutorial sessions enhance learning by creating:

- Highly personalized sessions based upon the child's learning style;



- Measurer of success through incremental achievement;
- Phonological processing and visualizations strategies;
- Multi-method techniques; and
- Safe nurturing environments.

Park Century has found that one-to-one tutoring is particularly beneficial for children with language, perceptual or attentional difficulties.

Small Group Instruction

Students participate in group lessons daily for 40 to 60 minutes depending upon classroom placement. The lessons taught are age and grade appropriate and reflect the guidelines of the California Framework in Social Studies and Science. Small group instruction allows the child to develop social skills and build lasting friendships with peers.

In the lower school grades, emphasis is placed on learning how to follow an oral presentation, offering and accepting information presented by peers, working cooperatively in a group, retaining information and applying what has been learned.

With the goal of graduation and transitioning into high school, students in the upper school are encouraged to focus on reaching their full potential especially in the areas of self-esteem, interpersonal relationships and social awareness. Moreover, faculty at the higher grade levels focus on teaching students vital study skills (a high priority for students in the upper school) including:

- Participation in discussions and oral presentations;
- Interaction with peers to achieve a common goal;
- Note-taking, research and report writing;
- Analytic and organizational techniques; and
- Self-advocacy methods.

Computers & Technology

Park Century's Computer Center is an integral part of the student's daily academic program. A computer, for the learning disabled child, can be almost like a buddy. It waits patiently and is anything but intimidating. It is always ready and willing to make changes or corrections without complaint. Recognizing the importance of computers to learning disabled children, Park Century has placed computers in every classroom in addition to those in the Computer Center.

Computers make it easier for students with language difficulties to express themselves. Through tools such as graphic buttons that use symbols for printed words or word prediction programs, the simple act of expression is much more accessible to students. Other functions such as spell check, dictionaries and thesauruses assist students with spelling errors and can even read to the dyslexic student.

Park Century has a strong commitment to basic research on the impact of computers on children with learning disabilities and has been involved with various research studies over the years. Research



conducted at the School has helped develop and refine specialized computer technology that dramatically improves phonological awareness, the temporal processing problem now believed to be the core deficit of dyslexia.

Speech & Language Therapy

Park Century has a team of licensed speech pathologists who work with students having difficulties in the area of speech and language. The speech pathologists work in symmetry with the student's classroom teachers and reading and math specialists, integrating their therapy with the student's academic work. Like finely tuned instruments, the good of all Park Century educators is to harmonize their specific objectives with each other so that each child achieves. These objectives include:

- Organizing and sequencing thoughts;
- Recognizing nonverbal clues and inferences and drawing conclusions;
- Listening, taking turns, and having a conversation;
- Using gestures, facial expressions, body language, eye contact; and
- Learning how to string words together.

The Arts

Park Century's commitment to the arts is vigorous because many learning disabled students excel in creative endeavors. Through dance, music, drama, or the visual arts, students are encouraged and challenged to express themselves creatively. As a designated *California Arts Council School*, Park Century participates in the Music Center Education Division Artists-in-Residency and Teacher Partnerships Program. Through this partnership, professional artists conduct special classes with the students and provide unique opportunities to learn about artistic expression in other cultures.

Physical Education

Park Century considers athletics a key part of every child's growth because athletics teach students much more than just how to play a particular sport. Physical education is an everyday activity for the School's students. In addition to team sports such as baseball, volleyball and basketball, one-to-one instruction is provided to children needing extra time to develop specific physical aptitudes and perceptual motor skills.

ENROLLMENT & ADMISSIONS

Park Century maintains a policy of limited enrollment and selective admissions, recognizing that there is a range of students that the School serves best. The goal of the admissions process at Park Century is to determine if the child's needs will be served most appropriately by attending the School. The admissions process starts with a guided tour of the School and then a submission of an application along with various materials including psychological test results, relevant medical information, educational reports and records. The School's admissions team reviews these materials and depending upon the decision of that review, the Admissions Coordinator arranges an initial meeting for the parents with one of the Co-Directors of the School and the Academic Coordinator.



Attachment B —Description of Project

The School has purchased an approximate 43,950 sq.ft. building in Culver City which will be its new campus and enable the School to meet enrollment demand for its highly specialized program for learning disabled students. Construction will begin in September, 2006, and the new facility is expected to be ready when the School opens in the Fall of 2007. The total project cost is approximately \$15.3 million -- including the approximate \$4.73 million acquisition price. The School will use approximately \$9.7 million of bond proceeds towards the total project cost. The remaining sources of funds include proceeds from a capital campaign and sale of the School's existing building.

Novus Construction (Chatsworth) is the General Contractor and the architect is Christopher V. Ward. The School has also received, on a pro-bono basis, the design services of famed architect Frank Gehry.

Park Century School Community Outreach Program

As part of its expansion plan for its new facility in Culver City, Park Century School intends to establish a Community Outreach Center. This Center will be housed near the public entrance to the School on Landmark Street, and will be open to the general public. Through this Center, the School intends to share its expertise in educating children with learning disabilities with the Culver City community as well as with the wider Los Angeles community. The Community Outreach Center has been an essential component of the School's expansion plan since 1999, when the Board of Trustees adopted a strategic plan for the School's growth.

As envisioned in the strategic plan and then elaborated in ongoing planning meetings, the Community Outreach Center plans to provide services to the LD community in Culver City, such as:

- Information, counseling and referrals for families with special needs children.
- Dyslexia screening.
- Early literacy training.
- After school tutoring.
- Summer school enrollment for children in the community.
- Transition counseling for students moving from special ed schools to "mainstream" schools.
- Parent education meetings with guest speakers.
- In-service training for educators.
- Services for adults recently diagnosed as learning disabled.
- A multi-media resource library.

Park Century School currently provides some of these services from its present location in West Los Angeles. During our CUP process in Culver City in 2005, contact was made with the Special Education Department of the Culver City Unified School District to explore mutual interest in our community outreach program. Further contact will take place once the Community Outreach Program is more fully developed.

We anticipate that some of the services offered will be fee-based. Others will be free. We intend to provide subsidies for lower income families who request fee-based services but cannot afford the full fees.



**Attachment D — Listing of Existing Facilities/Address of Each Facility to be
Financed or Refinanced**

The School's current facility is located at the following address:

2040 Stoner Avenue
Los Angeles, California 90025

The School's new facility will be located at the following address:

3939 Landmark Street
Culver City, California 90232

Attachment H — Project Costs (Sources & Uses of Proceeds)

Provided below is an estimated Sources and Uses of funds related to the proposed bond financing:

Sources of Funds

Bond Proceeds	\$10,000,000
Total Sources	\$10,000,000

Uses of Funds

Refinancing of Bank Loan	\$4,000,000
Project Fund	5,650,000
Bank-Related Fees	150,000
Other Costs of Issuance	200,000
Total Uses	\$10,000,000

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1 refinancing of an outstanding bank loan originally used to finance acquisition of the site of
2 the Campus and (4) various costs of issuance, debt service reserve, capitalized interest,
3 related working capital and credit enhancement fees (collectively, the "Project"); and

4 WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of
5 1986, as amended (the "Code"), the issuance of the Bonds must be approved by the City
6 because the Facilities are located within the territorial limits of the City; and

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

10 WHEREAS, the School and the Authority have requested that the City
11 approve the issuance of the Bonds in order to satisfy the public approval requirements of
12 Section 147(f) of the Code and to satisfy the requirements of Section 9 of the Amended
13 and Restated Joint Exercise of Powers Agreement (the "Agreement"), dated as of June 1,
14 1988, among certain local agencies, including the City; and

15 WHEREAS, pursuant to Section 147(f) of the Code, the Council has,
16 following notice duly given, held a public hearing regarding the issuance of the Bonds to
17 finance the Project, and now desires to approve the issuance of the Bonds to finance the
18 Project; and

19 WHEREAS, the Council understands that its actions in holding this public
20 hearing and in approving this Resolution do not obligate the City in any manner for
21 payment of the principal, interest, fees or any other costs associated with the issuance of
22 the Bonds, and the Council expressly conditions its approval of this Resolution on that
23 understanding.

1 NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Culver
2 City as follows:

3 1. The Council hereby approves the issuance of Bonds by the Authority
4 to finance the Project. It is the intent of the Council that this resolution should constitute
5 approval of the Bonds for purposes of Section 147(f) of the Code and Section 9 of the
6 Agreement.

7
8 2. The officers of the Council are hereby authorized and directed, jointly
9 and severally, to do any and all things and execute and deliver any and all documents,
10 certificates and other instruments which they may deem necessary or advisable in order to
11 consummate the issuance, sale and delivery of the Bonds by the Authority, and to execute
12 and deliver such certificates and other documents they may deem appropriate and
13 otherwise to carry out, give effect to and comply with the terms and intent of this
14 Resolution. Any actions heretofore taken by such officers are hereby ratified and
15 approved.
16

17 3. The Council expressly conditions its approval of this Resolution on its
18 understanding that the City of Culver City shall have no obligation whatsoever to pay any
19 principal, interest, fees or any other costs associated with the Authority's issuance of these
20 revenue bonds for the construction of improvements at Park Century School in the City of
21 Culver City.
22

23 4. The City shall receive from the School payment in the amount of five
24 (5) basis points of the face value of any Bonds issued pursuant to this conditional approval
25 within thirty (30) days after issuance of the Bonds. Payments received after that 30-day
26 period shall incur interest at ten percent (10%) per annum compounded daily from the date
27 of the bond issuance until fully paid and received by the City, including interest, if any.
28

1 5. This Resolution shall take effect from and after its passage and
2 approval.

3 APPROVED and ADOPTED this _____ day of _____ 2006.
4
5

6 _____
7 GARY SILBIGER, MAYOR
8 City of Culver City, California

9 ATTEST:

APPROVED AS TO FORM:

10
11 _____
12 CHRISTOPHER ARMENTA, City Clerk
13 A06-00641

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15 _____
16 CAROL A. SCHWAB, City Attorney
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