



# City of Culver City

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## Staff Report Details (With Text)

**File #:** 19-604      **Version:** 1      **Name:** Wildwood School TEFRA  
**Type:** Public Hearing      **Status:** Public Hearing  
**File created:** 11/26/2018      **In control:** City Council Meeting Agenda  
**On agenda:** 12/10/2018      **Final action:**  
**Title:** CC - PUBLIC HEARING: (1) Conduct a Public Hearing Pursuant to the Requirements of Tax and Equity Fiscal Responsibility Act and the Internal Revenue Code of 1986, as Amended; and (2) Adoption of a Resolution to Approve the Issuance of Revenue Bonds by the California Enterprise Development Authority to Assist in the Financing or Refinancing of the Wildwood School, Inc.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 2018-12-10\_ATT\_Wildwood\_TEFRA Resolution.pdf

Date	Ver.	Action By	Action	Result
12/10/2018	1	City Council Meeting Agenda		
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**Meeting Date:** December 10, 2018

**Contact Person/Dept:** Kambiz Borhani/Finance

**Phone Number:** (310) 253-5865

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☒ No ☐

**Public Hearing:** ☒      **Action Item:** ☐      **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒      **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (12/05/18)

**Department Approval:** Serena Wright-Black, Assistant City Manager (12/05/18)

## **RECOMMENDATION**

Staff recommends the City Council:

1. Conduct the public hearing under the requirements of Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and
2. Adopt a Resolution approving the issuance of revenue bonds by the California Enterprise Development Authority for the benefit of the Wildwood School, Inc., a California nonprofit corporation, to provide financing in an amount not to exceed \$17,000,000 for the purpose of refinancing the obligations outstanding, costs of the acquisition, construction, renovation, furnishing and equipping of school's educational facilities. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Internal Revenue Code and California Government Code Section 6500; and

## **PROCEDURE:**

1. Mayor seeks motion from the City Council to receive and file the affidavits of publication and posting of notices, and correspondence received in response to the public hearing notices; and
2. Mayor calls for a staff report and the City Council Members may pose questions to staff as desired; and,
3. Mayor seeks a motion to open the public hearing; and,
4. Mayor seeks a motion to close the public hearing after all public testimony has been presented; and,
5. The City Council discusses the item and arrives at its decision.

## **BACKGROUND/DISCUSSION**

On November 16, 2018, the City was asked to conduct a public hearing under the Tax and Equity Fiscal Responsibility Act ("TEFRA") in connection with the proposed issuance of tax-exempt revenue obligations by the California Enterprise Development Authority, in an amount not to exceed \$17,000,000, ("Obligations"), to assist the Wildwood School, Inc. in the financing or reimbursing the costs of acquisition, construction, development, renovation, equipping and furnishing of the facilities located within the territorial limits of Culver City, California.

The Wildwood School, Inc., has requested that the California Enterprise Development Authority participate in the issuance of the Obligations pursuant to a plan of finance to (a) refinance the obligations outstanding under a Master Loan Agreement, dated as of June 1, 2013, by and among the California Infrastructure and Economic Development Bank, the School and First Republic Bank; a portion of the proceeds of which were applied to refinance the costs of the acquisition, construction,

renovation, furnishing and equipping of School's educational facilities located at 12201 Washington Place, Los Angeles, California 90066; and (b) paying certain costs of issuance of the Obligations.

The City will not bear any responsibility for the tax-exempt status of the Obligations, the repayment of the Obligations or any other matter related to the Obligations. In order for all or a portion of the Obligations to qualify as a tax-exempt, the City of Culver City must conduct a public hearing (the "TEFRA Hearing") providing for the members of the community an opportunity to speak in favor of or against the use of a tax-exempt obligations for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, the City Council, as the legislative body of the City, which is hosting the request, must provide its approval of the issuance of the Obligations prior to the financing of the Obligations.

## **FISCAL ANALYSIS**

The City received \$9,000 of the issuance fee and deposited into General Fund Account No. 10116100.386100.

## **ATTACHMENTS**

1. Proposed Resolution.

## **MOTION**

That the City Council:

1. Conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt a Resolution approving the issuance of revenue bonds by the California Enterprise Development Authority for the benefit of the Wildwood School, Inc., a California nonprofit corporation, to provide for tax-exempt financing in an amount not to exceed \$17,000,000 for the purpose refinancing the obligations outstanding, costs of the acquisition, construction, renovation, furnishing and equipping of school's educational facilities. Such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Internal Revenue Code and California Government Code Section 6500; and