

RESOLUTION NO. 2007-498

Adopted by the Sacramento City Council

June 26, 2007

APPROVING A FINANCING TO BE UNDERTAKEN BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO BENEFIT SACRAMENTO COUNTRY DAY SCHOOL

BACKGROUND:

- A. Sacramento Country Day School, a California nonprofit corporation (the "Corporation"), has requested that the California Statewide Communities Development Authority, a joint-exercise-of-powers agency established under California law (the "Authority"), participate in financing the acquisition, construction, renovation, and rehabilitation of certain educational facilities (the "Facilities") located within the City of Sacramento (the "City").
- B. The Authority will issue its revenue bonds in connection with the financing, in an aggregate principal amount not to exceed \$15,000,000 (the "Bonds").
- C. The Authority and the Corporation will enter into a loan agreement (the "Loan Agreement") under which the Authority will loan the proceeds of the Bonds to the Corporation to provide a plan of financing for the following (collectively, the "Project"): (1) construction, acquisition, installation, renovation, rehabilitation, and improvement of real property, facilities, equipment, and improvements of the Corporation's educational facilities located on its campus at 2636 Latham Drive, Sacramento, California (the "Campus"), including but not limited to a new building with classrooms, administrative offices, and a new library; (2) miscellaneous construction, renovation, improvements, capital maintenance, equipment acquisition and installation, and improvements to one or more existing buildings located at the Campus; (3) refinancing certain existing indebtedness of the Corporation, consisting of bank loans in the aggregate amount of approximately \$2.7 million that were used to finance capital improvements at the Campus; and (4) various costs of issuance, debt-service reserve, capitalized interest, related working capital, and credit-enhancement fees.
- D. Under section 147(f) of the Internal Revenue Code of 1986, as amended ("Section 147(f)"), the City must approve the issuance of the Bonds because the Facilities are located within the City's territorial limits.
- E. The Sacramento City Council (the "City Council") is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bonds under Section 147(f).

- F. The Corporation and the Authority have requested that the City hold a public hearing and that the City approve the issuance of the Bonds in order to satisfy the requirements of Section 147(f) and the requirements of section 9 of the Amended and Restated Joint Exercise of Powers Agreement (the "Agreement"), dated as of June 1, 1988, between the City and other local agencies.
- G. Under Section 147(f), the City Council has, following notice duly given, held a public hearing regarding the Bonds and the execution and delivery of the Loan Agreement. The City Council now desires to approve the Bonds and the execution and delivery of the Loan Agreement.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council hereby approves the issuance of Bonds by the Authority to finance the Project. The City Council intends that this resolution constitute approval of the Bonds for purposes of both Section 147(f) and Section 9 of the Agreement.
- Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents, certificates, and other instruments they may deem necessary or advisable to consummate the issuance, sale, and delivery of the Bonds by the Authority and to execute and deliver those certificates and other documents as they may deem appropriate and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. Any actions previously taken by those officers in connection with the Bonds are hereby ratified and approved.
- Section 3. The City Council expressly conditions its approval of this resolution on its understanding that the City is not obligated to pay any principal, interest, fees, or other costs associated with the Authority's issuance of Bonds to finance the Project. The City Council's approval of the issuance, sale, and delivery of the Bonds is neither an approval of the underlying credit issues of the proposed Project nor an approval of the financial structure of the Bonds.
- Section 4. This resolution takes effect immediately upon its passage and approval.

Adopted by the City of Sacramento City Council on June 26, 2007 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk