

December 6, 2016

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Board of Supervisors  
County of Marin  
San Rafael, CA 94903

**Subject:** Tax-exempt financing for the California Enterprise Development Authority (“CEDA”); Consent to hold a Tax Equity and Fiscal Responsibility Act (“TEFRA”) public hearing on December 6, 2016 regarding issuance of not to exceed \$5,000,000 of tax-exempt revenue obligations for the benefit of San Domenico School, a California nonprofit public benefit corporation, and/or a related entity (the “Borrower”), to finance the cost of construction, acquisition, installation, renovation, rehabilitation, equipping and furnishing of educational facilities located at 1500 Butterfield Road, San Anselmo, California 94960.

Dear Board Members:

**RECOMMENDED ACTION:** It is recommended that the Board of Supervisors (1) conduct a public hearing and (2) approve the issuance of not to exceed \$5,000,000 of California Enterprise Development Authority Revenue Obligations (the “Obligations”) for the benefit of the Borrower.

**BACKGROUND:** The County of Marin is an associate member of the California Enterprise Development Authority (“CEDA”), a joint powers authority established by the California Association for Local Economic Development (“CALED”) whose purpose is to issue tax-exempt and taxable conduit revenue bonds to fund commercial and industrial development projects within member jurisdictions.

Federal law requires a public hearing before the Board of Supervisors prior to any bond issuance by CEDA for projects under the County’s jurisdiction. If the Board of Supervisors does not approve the project, CEDA cannot issue bonds.

Founded in 1850, the Borrower is California’s oldest independent school providing innovative and progressive education for students in Kindergarten through 12th Grade in Marin County. The Borrower strives to evolve to meet the changing needs of the times, and provides students with daily exposure to creativity, flexibility and innovation, balanced with the strength of tradition. Students educated to graduate with a deep sense of self, compassion for others, responsibility to the world and the ability to pursue a wide range of opportunities.

CEDA will loan the proceeds of the Obligations to the Borrower to (a) finance the cost of the construction, acquisition, installation, renovation, rehabilitation, equipping and furnishing of certain education facilities consisting generally of 28 buildings totaling approximately 212,825 square feet on a 515-acre campus

located at 1500 Butterfield Road, San Anselmo, California 94960 and (b) pay certain costs of issuance in connection with the financing.

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

The County is an associate member of CEDA, a joint powers authority established by CALED whose purpose is to issue tax-exempt and taxable conduit revenue bonds to fund commercial and industrial development projects within member jurisdictions.

The Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California and Internal Revenue Code Section 145 provide for the issuance of tax-exempt "private activity" obligations by a conduit governmental issuer on behalf of a 501(c)(3) corporation to finance facilities owned by such entity. For interest on such private activity obligations to be tax-exempt, Section 147(f) of the Code requires, among other things, the obligations and the facilities financed thereby must be approved by both the governmental unit which will issue the obligations (in this case, CEDA) and the governmental unit in which the obligation-financed facilities are located (County of Marin). Further, a public hearing, for which reasonable notice has been given, must be held. This hearing and process is referred to as TEFRA, after the Tax Equity and Fiscal Responsibility Act of 1982.

The assets to be financed with the proceeds of the Obligations are located within the jurisdiction of the County. Therefore, the County has been asked to conduct the public hearing, and to approve the Obligations as the host governmental unit. CEDA has effectuated proper notice of the hearing via publication at least 14 days in advance.

The Obligations will be payable solely from amounts received pursuant to the terms and provisions of the loan agreement to be executed by CEDA and the Borrower. The County will not be a party to the loan agreement or any other documents in connection with the issuance of the Obligations. The Obligations will not be secured by any form of taxation or by any obligation of either the County or CEDA. The Obligations do not represent or constitute a general obligation of either the County or CEDA.

**FISCAL IMPACTS:** None. The Obligations are a special, limited obligation of CEDA payable solely through the Borrower's repayment of the loan from CEDA which repayment is used to pay the principal of and interest on the Obligations. The Obligations issued by CEDA are not an obligation of the County or any member of CEDA. Neither the faith or credit, nor the taxing power of the County, any member of CEDA, the State or any political subdivision is pledged to the repayment of the Obligations.

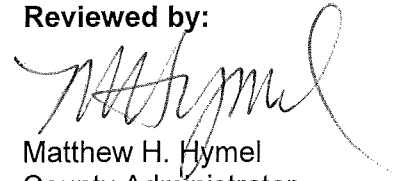
Reviewed By:             County Counsel  
                                  Treasurer-Tax Collector

**Submitted by:**



Daniel Eilerman  
Assistant County Administrator

**Reviewed by:**



Matthew H. Hymel  
County Administrator

cc: Steven Woodside, County Counsel  
Roy Given, Director of Finance