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COUNTY ADMINISTRATOR

December 12, 2017

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Board of Supervisors
County of Marin
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Subject: Tax-exempt financing by the California Public Finance Authority ("CalPFA"); Consent to hold a Tax Equity and Fiscal Responsibility Act ("TEFRA") public hearing on December 12, 2017 regarding issuance of up to \$24,000,000 of tax-exempt conduit obligations to refinance capital improvements to certain educational facilities of The Branson School ("The Branson School" or the "School") located at 39 and 71 Fern Hill Avenue, Ross, CA 94957.

Dear Board Members:

Recommendation: It is recommended that, after holding the public hearing, your board adopt the resolution approving the tax-exempt financing and the issuance of the obligations by CalPFA for The Branson School, a California nonprofit public benefit corporation.

Background: The Branson School is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code. Incorporated in 1926, the School operates a co-educational, independent, college-preparatory day school in Ross, California serving 9th through 12th grades. The School's current enrollment is approximately 320 students.

The Branson School has requested that CalPFA issue conduit tax-exempt obligations in an amount not to exceed \$24,000,000 to refinance capital improvements to certain educational facilities of the School located at 39 and 71 Fern Hill Avenue, Ross, CA 94957, and to pay costs of issuance and other costs related to the refinancing, including a termination payment with respect to an interest rate swap in connection with the original financing.

Section 147(f)(2) of the Internal Revenue Code of 1986 requires that, in order for the interest on such obligations to be excluded from gross income to investors for federal income tax purposes, the applicable elected representatives of the host governmental unit must approve the issuance of debt. This hearing and approval process is referred to as a "TEFRA" hearing, after the Tax Equity and Fiscal Responsibility Act of 1983, the regulations for which were promulgated under the Tax Code changes of 1986.

Since the facilities to be refinanced with the proposed CalPFA obligations are located within Marin County, your board has been asked to conduct the public hearing on

