

OFFICE OF THE
COUNTY ADMINISTRATOR

February 14, 2017

Matthew H. Hymel
COUNTY ADMINISTRATOR

Daniel Eilerman
ASSISTANT COUNTY
ADMINISTRATOR

Angela Nicholson
ASSISTANT COUNTY
ADMINISTRATOR

Marin County Civic Center
3501 Civic Center Drive
Suite 325
San Rafael, CA 94903
415 473 6358 T.
415 473 4104 F
CRS Dial 711
www.marincounty.org/cao

Board of Supervisors
County of Marin
San Rafael, CA 94903

Subject: Tax-exempt financing by the California Enterprise Development Authority ("CEDA"); Consent to hold a Tax Equity and Fiscal Responsibility Act ("TEFRA") public hearing on February 14, 2017 regarding issuance of not to exceed \$31,475,000 of tax-exempt conduit obligations for the benefit of Dominican University of California, a California nonprofit public benefit corporation, and/or a related entity (the "Borrower"), to finance and refinance capital improvements to certain educational facilities located on Borrower's university campus in San Rafael, California, with a primary address of 50 Acacia Avenue, San Rafael, CA 94901.

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 \$31,475,000 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.

The Borrower owns and operates a Western Association of Schools and Colleges accredited university that provides both undergraduate and graduate educations. Founded in 1890, Dominican University of California consists of four schools: Arts, Humanities and Social Sciences, Barowsky School of Business, Education and Counseling Psychology, and Health and Natural Sciences. Dominican University of California enrolls approximately 1,843 students, approximately 452 of which are graduate students. In addition to its classroom mission, Dominican University of California models and instills the values and theories of reverence, interdependence, sustainability, social justice and stewardship into its learning environment.

CEDA will loan the proceeds of the Obligations to the Borrower to (a) finance and refinance the cost of the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of various facilities comprising the Borrower's university campus located at 50 Acacia Avenue, San Rafael, California (the "Campus"), including, but not limited to, the following educational, recreational and administrative buildings located in San Rafael, California (1) Albert Magus Building located at 90 Acacia Avenue; (2) Angelico Hall located at 20 Olive Avenue; (3) Bertrand Hall located at 79 Acacia Avenue; (4) Edgehill Village located at 50 Magnolia Avenue; (5) Fanjeaux Hall located at 180 Palm Avenue; (6) Guzman Hall located at 50 Acacia Avenue; (7) Joseph R. Fink Science Center located at 155 Palm Avenue; (8) Martin de Porres Hall located at 30 Acacia Avenue; (9) Meadowlands Hall located at 145 Palm Avenue; (10) Pennafort Hall located at 190 Palm Avenue; (11) Sr. Samuel Conlan Recreation Center located at 1475 Grand Avenue; (12) Barowsky House located at 178 Palm Avenue; (13) Magnolia House and Carriage House located at 226 Magnolia Avenue and (14) general groundwork including, but not limited to, walkways at the Campus (collectively, the "Facilities") and (b) to 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 and refinanced 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.

Please feel free to contact us should you have any questions or concerns.

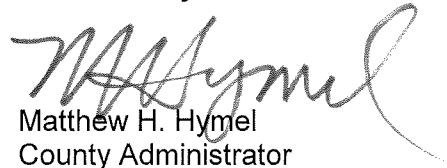
Reviewed By: County Counsel
 Department of Finance

Submitted by:



Daniel Eilerman
Assistant County Administrator

Reviewed by:



Matthew H. Hymel
County Administrator

cc: Brian Washington, County Counsel
 Roy Given, Director of Finance