

File No. 131091

Committee Item No. 6  
Board Item No. \_\_\_\_\_

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 11/20/2013

Board of Supervisors Meeting

Date: \_\_\_\_\_

**Cmte Board**

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

**OTHER (Use back side if additional space is needed)**

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Completed by: Victor Young Date November 15, 2013  
Completed by: Victor Young Date \_\_\_\_\_

1 [Issuance of Tax-Exempt Obligations - Pacific Primary - Not to Exceed \$4,500,000]

2  
3 **Resolution approving the issuance of tax-exempt obligations by the Association of Bay**  
4 **Area Governments Finance Authority for nonprofit corporations in an aggregate**  
5 **principal amount not to exceed \$4,500,000 to finance and refinance various capital**  
6 **facilities owned by Pacific Primary, a California nonprofit corporation, or an affiliate**  
7 **thereof; and determining other matters in connection therewith.**

8  
9 WHEREAS, Pacific Primary, a California nonprofit corporation (the "Corporation") has  
10 requested that the ABAG Finance Authority for Nonprofit Corporations, a joint exercise of  
11 powers agency established pursuant to the laws of the State of California (the "Authority")  
12 issue from time to time tax-exempt obligations (the "Obligation"), in an aggregate principal  
13 amount not expected to exceed \$4,500,000, for the purpose of making one or more loans  
14 (collectively, the "Loan") to the Corporation pursuant to a plan of financing for various capital  
15 facilities as more fully described below; and,

16 WHEREAS, The City and County of San Francisco (the "City") is a member of the  
17 Authority; and,

18 WHEREAS, The Corporation plans to use the proceeds of the Loan for the following  
19 purposes: (1) redeem in full all of the outstanding \$4,550,000 ABAG Finance Authority for  
20 Nonprofit Corporations Variable Rate Demand Revenue Bonds (Pacific Primary) Series 2008,  
21 the proceeds of which were used for the construction, acquisition, improvement, capital  
22 maintenance, equipment acquisition and other related capital expenditures at the School's  
23 facilities located at 1500 and 1501 Grove Street, San Francisco, California (together, the  
24 "Campus"), (2) pay and/or reimburse miscellaneous capital expenditures related to the  
25

1 acquisition, construction, improvement and equipping of the Campus, and (3) pay various  
2 costs of issuance and other related costs (collectively, the "Project"); and

3 WHEREAS, The issuance of the Obligation shall be subject to the approval of and  
4 execution by the Authority of all financing documents relating thereto to which the Authority is  
5 a party and subject to the issuance of the Obligation by the Authority; and

6 WHEREAS, The Project is located wholly within the City; and

7 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section  
8 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is  
9 approved in accordance with Section 147(f) of the Code; and

10 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative  
11 body of the City and is the applicable elected representative required to approve the issue  
12 within the meaning of Section 147(f) of the Code; and

13 WHEREAS, The Authority has requested the Board to approve the issuance of the  
14 Obligation in order to satisfy the public approval requirements of Section 147(f) of the Code;  
15 and

16 WHEREAS, On October 14, 2013, the City caused a notice to appear in the *San*  
17 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a  
18 public hearing with respect to the issuance of the Obligation would be held by the City's Office  
19 of Public Finance on October 28, 2013; and

20 WHEREAS, The Office of Public Finance held the public hearing described above on  
21 October 28, 2013, and an opportunity was provided for persons to comment on the issuance  
22 of the Obligation and the financing and refinancing of the Project; now, therefore be it

23 RESOLVED, That this Board hereby finds and declares the above recitals are true and  
24 correct; and, be it

1 FURTHER RESOLVED, That this Board hereby approves the issuance of the  
2 Obligation by the Authority; and be it

3 FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
4 Resolution constitutes approval of the issuance of the Obligation by the applicable elected  
5 representative of the governmental unit having jurisdiction over the area in which the Project  
6 is located for the purposes of and in accordance with Section 147(f) of the Code; and, be it

7 FURTHER RESOLVED, That the approval of the issuance of the Obligation by the City  
8 is neither an approval of the underlying credit issues of the proposed Project nor an approval  
9 of the financial structure of the Obligation; and be it

10 FURTHER RESOLVED, That the Obligation shall not constitute a debt or obligation of  
11 the City and the payment of the principal, prepayment premium, if any, and purchase price of  
12 and interest on the Obligation shall be solely the responsibility of the Corporation; and be it

13 FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City  
14 to provide financing to the Corporation for the acquisition, rehabilitation and development of  
15 the Project or to issue the Obligation for purposes of such financing; or (ii) the City, or any  
16 department of the City, to approve any application or request for, or take any other action in  
17 connection with, any environmental, General Plan, zoning or any other permit or other  
18 regulatory action sought in connection with the Project; and be it

19 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
20 adoption.

21 APPROVED AS TO FORM:  
22 DENNIS J. HERRERA  
23 CITY ATTORNEY

24 BY:

  
25 Mark D. Blake  
Deputy City Attorney

Supervisor Breed  
BOARD OF SUPERVISORS



**CITY AND COUNTY OF SAN FRANCISCO**

**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Monique Zmuda**  
**Deputy Controller**

**Nadia Sesay**  
**Director**  
**Office of Public Finance**

November 5, 2013

Supervisor London Breed  
City Hall, Room 244  
City and County of San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
San Francisco CA 94102

Dear Supervisor Breed:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the issuance of tax exempt obligations (the "Obligations") by the ABAG Finance Authority for Nonprofit Corporations (the "Authority") on behalf of Pacific Primary (the "Corporation" or the "School"), a California nonprofit public benefit corporation described in section 501(c)(3) of the Internal Revenue Code, to finance and refinance various projects owned by the School. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, November 5, 2013.

Pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA), to facilitate the tax exemption of interest on the Obligations the City is required to conduct a public hearing and to approve the financing by the Authority. The Office of Public Finance held such hearing on Monday, October 28, 2013, notice of which was published in the *San Francisco Chronicle* on October 14, 2013. The action by the Board acknowledges that the hearing was duly held and that the financing is proceeding.

The Obligations will be issued in an aggregate principal amount not to exceed \$4,500,000. I have performed a limited due diligence review of information pertaining to the project and proposed financing that I have summarized below.

The School

Founded in 1974, Pacific Primary provides a full-time, year-round preschool program for pre-school aged children. In September 2008, Pacific Primary completed a significant expansion, opening a second facility – the Orange Sun School – directly across the street from the original campus and enrolls 155 children.

The Project

The proceeds of the Obligations will be loaned to the School to (1) redeem in full all of the outstanding \$4,550,000 ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (Pacific Primary) Series 2008, the proceeds of which were used for the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the School's facilities located at 1500 and 1501 Grove Street, San Francisco, (2) pay and/or reimburse miscellaneous capital expenditures related to the acquisition, construction, improvement and equipping of the campus, and (3) pay various costs of issuance and other related costs of the project.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue tax-exempt obligations in an amount not to exceed \$4,500,000. Bond Counsel on the transaction is Hawkins Delafield & Wood LLP.

Public Approval Process

The City and County of San Francisco is a participating member of the Authority, a joint powers authority. The Authority is authorized to issue bonds, notes, certificates of participation, or other forms of indebtedness, including refunding previously issued debt.

As noted above, federal tax law requires that the governing body of the jurisdiction in which the project is located approve the financing and the project after providing the opportunity for a duly-noticed public hearing before the Obligations may be issued on a tax-exempt basis.

Your assistance with this matter is greatly appreciated. Please contact me at (415) 554-6902, if you any questions or require additional information. Thank you.

Sincerely,

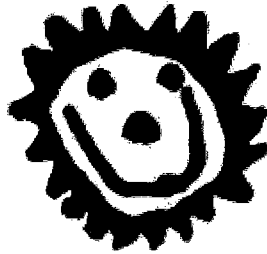


Anthony Ababon  
Controller's Office of Public Finance

Cc: Conor Johnston, Office of Supervisor London Breed  
Mark Blake, Deputy City Attorney

Attachments

**Pacific Primary School**  
**2013 Tax-Exempt Loan**



*Pacific Primary*

**Association of Bay Area Governments**  
**Finance Authority for Nonprofit Corporations**  
**501(c)(3) Application**



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## 1. Contact Information

Provide the following information about the Borrower:

- Legal name
- Address
- Principal contacts name, title, telephone and fax number, and e-mail address

**Pacific Primary School**  
1501 Grove Street  
San Francisco, CA 94117

**Amie Haiz, Finance Director**  
T: 415-409-1961  
F: 415-409-6936  
Email: [amie@pacificprimary.org](mailto:amie@pacificprimary.org)

Provide the following information for each facility with projects being financed (if different than above):

- Legal name
- Address
- Principal contacts name, title, telephone and fax number, and e-mail address
- Whether part of Obligated Group

**Same as above**

Provide the address, telephone and fax numbers, e-mail address, name and title of principal contact for each of the following:

### Finance Team

- Investment Banker (or Financial Advisor)
- Underwriter/Lender(s)
- Bond Counsel
- Underwriter's Counsel
- Borrower's Legal Counsel
- Trustee

**Complete distribution list can be found in Attachment A.**

### Sponsoring Jurisdiction

- Contact person for TEFRA hearing process. Please include the TEFRA hearing date, if already scheduled.
- Contact person(s) for status of required local approval, actions, and/or any funding, if different than above.
- Summarize the status of all required local approval and actions.

**Christina Togle, Hawkins Delafield & Wood LLP**  
T: 213-236-9073



Email: [ctogle@hawkins.com](mailto:ctogle@hawkins.com)

Anthony Ababon, City and County of San Francisco

T: 415-554-6902

Email: [anthony.ababon@sfgov.com](mailto:anthony.ababon@sfgov.com)

TEFRA Hearing Date: 3:00pm, Monday, October 28, 2013

## 2. Description of Facility and Services Provided

Discussion of the Public Benefit provided by the Project.

*For Private Education financings, please describe any scholarship or financial aid programs administered by the School. Also include the current and projected student enrollment, the number of faculty and staff, and describe any endowment or project-related capital campaign.*

Founded in 1974, Pacific Primary provides a full-time, year-round preschool program for San Francisco's working families. Pacific Primary's educational philosophy has been designed to support the whole child and foster growth and creativity. Pacific Primary has developed a reputation as one of the most innovative and progressive pre-schools in the United States, recognized today as a national leader in fully integrating all forms of diversity into its curriculum and school environment.

In September 2008, Pacific Primary completed a significant expansion, opening a second facility – the Orange Sun School – directly across the street from the original campus. With this expansion, Pacific Primary now enrolls 155 children with broad ethnic and family structure diversity. The School has had only four directors in its 36 year history, providing stability and strong leadership. Governance is provided by a Board of Directors comprised of 17 parents. The School is managed prudently, operating consistently within budget. Pacific Primary became a Pre-School-for-All site in January 2010.

### **Families**

Total Enrollment 155

Yellow Sun School 80

Orange Sun School 75

Receiving financial aid 19%

With special needs 4%

Total tuition assistance awarded \$194,775

As a % of total tuition 6%

Bilingual children 17%

### **Ethnicity**

African American/Bi-racial 19%

Asian/Bi-racial 21%

Hispanic/Latino/Bi-racial 12%

Other 3%

Caucasian 45%

### **Family Diversity**

Single Parents 7%

Gay & Lesbian Parents 8%

Adoptive Parents 8%

### **Staff**

Pacific Primary has 47 staff members, and a student/teacher ratio of approximately 6-to-1. All teachers have full Early Childhood Education units and the average teaching tenure of staff is eight years. The staff also includes Music and Movement Specialists and Expressive Arts Specialists, as well as two full-time chefs.

#### **Staff Contacts:**

Belann Giarretto, Executive Director

Lynn Turner, Director

#### **Board Officers:**

Hassan Zaidi, President

Michael Dunn, Vice President

Ron Brown, Treasurer

Mare Manangan, Secretary

Tara Siegel and Brisen Brady, Members-At-Large

### **Facilities**

#### ***Yellow Sun School***

The original campus – the Yellow Sun School – is a single-story, 4,400 square foot facility on the corner of Grove and Baker, with a playground space of 5,600 square feet. The Yellow Sun School accommodates 80 children and is owned by Pacific Primary.

#### ***Orange Sun School***

Completed in August 2008, the Orange Sun School is directly across the street from the Yellow Sun School and accommodates 75 children, as well as housing all of Pacific Primary's administrative offices. This facility is two-story, with 7,400 square feet and a 3,600 square foot playground. The building is ADA-accessible and contains a variety of environmentally sensible features including solar power and radiant heating. The facility is also owned by Pacific Primary.

**Finances – 2012/2013 Budget**

Tuition	\$3,158,719
Tuition assistance	(194,775)
Fundraising	257,000
All other income	139,529
<b>Total revenue</b>	<b>\$3,360,473</b>
Staff costs	\$2,193,266
Benefits	349,786
Food	79,310
Utilities/custodial	84,650
Program expenses	71,700
All other expenses	411,210
<b>Total operating expenses</b>	<b>\$3,189,921</b>

**Endowment**

Pacific Primary's Tuition Assistance Endowment allows the school to draw from interest earnings, in order to increase accessibility, diversity and affordability.

### **3. Financing Structure**

Provide a description of the proposed terms of the financing, and include the following information:

- State the amount of bonds being requested.
- Financing structure (i.e. public sale, private placement; refunding, new money; single series, multiple series; taxable, tax-exempt, etc.)
- Number of years to maturity and interest rate mode.
- Summarize sources and uses of funds. Include a description of all funding sources.
- Credit enhancement, rating, reserves, and other applicable security provisions.

**Please refer to term sheet, included as separate attachment.**

#### 4. Submissions

Please submit the following items in order to complete your application:

- A. Complete distribution list. In addition to the parties listed in *Section 1*, include information for the following, if applicable: Additional lenders or any other members of the finance team.
- B. A brief description and any additional background information, including annual reports or marketing materials for the applicant.
- C. Estimated timeline or schedule for the financing project.
- D. Copy of commitment letters for all sources of funding.
- E. Detailed uses of funds, including cost of issuance and construction.
- F. Copy of any feasibility study or report and/or project financial forecasts.
- G. Copy of any available property appraisal report.
- H. H. 8x11 size: photographs, drawings, plan elevations, or site maps (optional).
- I. *For Refunding Projects: please submit an Official Statement or other applicable documentation for previous financing, if the issuer was not the Authority.*
- J. A non-refundable application fee of \$1,000.00, payable to the ABAG Finance Authority for Nonprofit Corporations. Application fee will be used as a credit towards the bond administration fee paid at closing.

Attachment A

Distribution List.

**BORROWER**

Belann Giaretto, Executive Director  
Amie Haiz, Finance Director

**Pacific Primary School**

1501 Grove Street  
San Francisco, CA 94117  
T: 415-409-1961 (All)  
Email: [belann@pacificprimary.org](mailto:belann@pacificprimary.org)  
Email: [amie@pacificprimary.org](mailto:amie@pacificprimary.org)

Ron Brown, Board Treasurer  
T: 415-385-8406  
Email: [ron@parkwestllc.com](mailto:ron@parkwestllc.com)

Michael Dunn, Board President  
T: 415-850-3838  
Email: [michaeldunnca@yahoo.com](mailto:michaeldunnca@yahoo.com)

Vishal Tayal, Finance Committee  
T: 917-822-2286  
Email: [Vishal.t.tayal@gmail.com](mailto:Vishal.t.tayal@gmail.com)

**BORROWER'S COUNSEL**

Thomas H. Webber  
**Goldfarb & Lipman**  
1300 Clay Street, Ninth Floor  
Oakland, CA 94612  
T: 510-836-6336  
C: 415-902-0565  
F: 510-836-1035  
Email: [twebber@goldfarblipman.com](mailto:twebber@goldfarblipman.com)

**ISSUER**

Clarke Howatt  
**ABAG Finance Authority for Nonprofit Corporations**  
101 Eighth Street  
Oakland, CA 94607  
T: (510) 464-7932 (Howatt)  
Email: [clarkeh@abag.ca.gov](mailto:clarkeh@abag.ca.gov)

**ISSUER'S COUNSEL**

Ron Lee, Attorney & Vice President  
**Jones Hall**  
650 California Street, 18th floor  
San Francisco, CA 94108  
T: (415) 391-5780  
Email: [rlee@joneshall.com](mailto:rlee@joneshall.com)

**LENDER**

Dirk A. ten Grotenhuis, Managing Director  
Alvin Oswandy, Analyst  
Lindsey Prochaska, Team Support  
**First Republic Bank**  
111 Pine Street, 9<sup>th</sup> Floor  
San Francisco, CA 94111  
T: 415-262-2428 (ten Grotenhuis)  
T: 415-395-2349 (Yung)  
T: 415-262-8807 (Oswandy)  
T: 415-262-2499 (Prochaska)  
F: 415-262-2570  
Email: [dteng@firstrepublic.com](mailto:dteng@firstrepublic.com)  
Email: [aoswandy@firstrepublic.com](mailto:aoswandy@firstrepublic.com)  
Email: [lprochaska@firstrepublic.com](mailto:lprochaska@firstrepublic.com)

**LENDER'S/TAX COUNSEL**

Sean Tierney, Esq.

Ronald Wolf, Esq.

Brian J. Organ, Esq.

**Hawkins Delafield & Wood LLP**

One Embarcadero Center, Suite 3820

San Francisco, CA 94111

T: 415-486-4201 (Tierney)

T: 415-486-4208 (Wolf)

T: 415-486-4203 (Organ)

F: 415-397-1513

Email: [STierney@hawkins.com](mailto:STierney@hawkins.com)

Email: [rwolf@hawkins.com](mailto:rwolf@hawkins.com)

Email: [BOrgan@hawkins.com](mailto:BOrgan@hawkins.com)

Christina C. Togle

**Hawkins Delafield & Wood LLP**

333 South Grand Ave., Suite 3650

Los Angeles, CA 90071

T: 213- 236-9073

F: 213- 236-9060

Email: [ctogle@hawkins.com](mailto:ctogle@hawkins.com)

**EMAIL ADDRESSES**

[belann@pacificprimary.org](mailto:belann@pacificprimary.org)

[amie@pacificprimary.org](mailto:amie@pacificprimary.org)

[ron@parkwestllc.com](mailto:ron@parkwestllc.com)

[michaeldunnca@yahoo.com](mailto:michaeldunnca@yahoo.com)

[Vishal.t.tayal@gmail.com](mailto:Vishal.t.tayal@gmail.com)

[twebber@goldfarbblipman.com](mailto:twebber@goldfarbblipman.com)

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[rlee@joneshall.com](mailto:rlee@joneshall.com)

[dteng@firstrepublic.com](mailto:dteng@firstrepublic.com)

[aoswandy@firstrepublic.com](mailto:aoswandy@firstrepublic.com)

[lprochaska@firstrepublic.com](mailto:lprochaska@firstrepublic.com)

[STierney@hawkins.com](mailto:STierney@hawkins.com)

[rwolf@hawkins.com](mailto:rwolf@hawkins.com)

[BOrgan@hawkins.com](mailto:BOrgan@hawkins.com)

[ctogle@hawkins.com](mailto:ctogle@hawkins.com)



## Attachment B

Brief description and any additional background information, including annual reports or marketing materials for the applicant.

Pacific Primary now has two schools directly across the street from each other. The Yellow Sun School is the original school and opened in September, 1974. The Orange Sun School opened in September, 2008. Both schools provide an exceptional and nurturing learning environment filled with play and hands-on experiences for children ages two and a half to six years old. The educational philosophy draws upon a variety of educational approaches to achieve deep and meaningful learning. The school maintains a strong commitment to the creative arts through music, movement and the expressive arts, with dedicated specialists in both areas. Since its founding, Pacific Primary has supported working parents by providing a full-day program. Pacific Primary celebrates diversity — ethnic, racial, economic — and all types of families, including adoptive, gay and lesbian and one or more parent families. Located in San Francisco's Western Addition neighborhood, the school serves families from the Bay Area

**Attachment C**

Estimated timeline or schedule for the financing project.

<b>Date</b>	<b>Action</b>	<b>Party</b>
October 1	Distribute Distribution List/Schedule	FRB
October 8	Distribute Draft of Legal and Financing Documents	Lender's/Tax Counsel
October 14	Publish TEFRA Notice	Lender's/Tax Counsel
Week of October 14	Submit ABAG Application	FRB
October 15	Kick-Off Financing Team Conference Call (2pm) <ul style="list-style-type: none"><li>• Discuss financing</li><li>• 1-866-372-2663 Passcode 2425#</li></ul>	All
October 28	TEFRA Public Hearing	City of San Francisco
Week of ___	Schedule Conduit Board Meeting	FRB
Week of December 2	Loan Closing	All

**Attachment D**

Copy of commitment letters for all sources of funding.

**Please refer to term sheet, included as separate attachment.**

**Attachment E**

Detailed uses of funds, including cost of issuance and construction.

The 2013 Tax-Exempt Loan will be used to refinance the 2008 variable rate revenue bonds.

The 2008 Bonds were originally used for (i) the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the School's facilities located at 461 Baker Street, San Francisco, California and (ii) various costs of issuance.

**ESTIMATED SOURCES**

First Republic Tax-Exempt Loan	\$4,500,000
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**ESTIMATED USES**

Refinancing of 2008 Loan	\$4,300,000
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First Republic Discount	45,000
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Costs of Issuance	155,000
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**Attachment F**

Copy of any feasibility study or report and/or project financial forecasts.

**Not applicable.**

**Attachment G**

Copy of any available property appraisal report.

Full appraisal report included as a separate attachment.

**Attachment H**

8x11 size: photographs, drawings, plan elevations, or site maps (optional).

**Not applicable.**

**Attachment I**

Official Statement or other applicable documentation for previous financing, if the issuer was not the Authority.

\$4,550,000

**ABAG Finance Authority For Nonprofit Corporations**  
Variable Rate Demand Revenue Bonds  
(Pacific Primary) Series 2008



**Attachment J**

A non-refundable application fee of \$1,000.00, payable to the ABAG Finance Authority for Nonprofit Corporations, to come from the School.



TEFRA SCRIPT  
ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS ISSUANCE  
OF TAX-EXEMPT OBLIGATIONS FOR PACIFIC PRIMARY FINANCING AND  
REFINANCING FACILITIES IN SAN FRANCISCO, CALIFORNIA

To be read by the Office of Public Finance:

"This is a public hearing to consider the proposed issuance of tax-exempt obligations (the "Obligations") by the ABAG Finance Authority for Nonprofit Corporations (the "Authority") in an aggregate principal amount not to exceed \$4,500,000. Proceeds of the Obligations will be loaned to Pacific Primary, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (or any affiliate thereof or successor thereto) (the "Corporation"), pursuant to a master loan agreement. The Corporation plans to use the proceeds of the Obligation to: (1) redeem in full all of the outstanding \$4,550,000 ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (Pacific Primary) Series 2008, the proceeds of which were used for the construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the School's facilities located at 1500 and 1501 Grove Street, San Francisco, California (together, the "Campus"), (2) pay and/or reimburse miscellaneous capital expenditures related to the acquisition, construction, improvement and equipping of the Campus, and (3) pay various costs of issuance and other related costs (collectively, the "Project"). The properties financed and refinanced with the proceeds of the Obligations are owned by the Corporation and used for the educational purposes thereof.

"Today's hearing is part of a larger process and no decision or approval will be made here today. Your comments will be heard and provided to the Board of Supervisors. The Board of Supervisors will then have the discretion to consider legislation approving the issuance of the Obligations to finance and refinance the Projects."

"The public hearing is now open. We will now hear from any person who wishes to speak about the proposed financing. Does anyone wish to speak about the financing?"

*[WAIT TO SEE IF ANY MEMBER OF THE AUDIENCE WISHES TO SPEAK AND, IF SO, GIVE EACH OF THEM THE OPPORTUNITY TO DO SO, WITHIN THE USUAL TIME LIMITS ALLOWED.]*

"Were any written comments on the proposed tax-exempt Obligation or the Projects received by the Clerk or the Board of Supervisors or the Office of Public Finance prior to this hearing?"

*[IDENTIFY ANY SUCH WRITTEN COMMENTS OR STATE THAT NONE WERE RECEIVED.]*

"The public hearing is now closed"

Date: Monday, October 28, 2013. 3:00pm

Nadia Sesay

Belan Giarretto

Belann Giarretto

Ronald Wolf

