

1 [Issuance and Sale of Tax-Exempt Bonds – Pacific Primary]

2

3 **Resolution approving the issuance and sale of tax-exempt bonds by the ABAG Finance**
4 **Authority for Nonprofit Corporations in an aggregate principal amount not to exceed**
5 **\$6,000,000 to finance various capital facilities owned by Pacific Primary, a California**
6 **nonprofit corporation, or an affiliate thereof.**

7

8 WHEREAS, Pacific Primary, a California nonprofit corporation (the "Corporation") has
9 requested that the ABAG Finance Authority for Nonprofit Corporations, a joint exercise of
10 powers agency established pursuant to the laws of the State of California (the "Authority"),
11 issue and sell from time to time its revenue bonds (the "Bonds") in one or more series over
12 the next three years, in an aggregate principal amount not expected to exceed \$6,000,000, for
13 the purpose of making one or more loans (collectively, the "Loan") to the Corporation pursuant
14 to a plan of financing for various capital facilities as more fully described below; and,

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

17 WHEREAS, The Corporation plans to use the proceeds of the Loan over the next three
18 years to finance the following: (1) construction, acquisition, improvement, capital
19 maintenance, equipment acquisition and other related capital expenditures at the
20 Corporation's facilities located at 461 Baker Street, San Francisco, California (the "Baker
21 Street Campus") and 1500 Grove Street, San Francisco, California (the "Grove Street
22 Campus"), including refinancing an existing bank loan from First Republic Bank in the
23 principal amount of approximately \$3,500,000, the proceeds of which were used to finance
24 the acquisition of the Baker Street Campus and various demolition, construction, improvement
25 and other costs directly related thereto; (2) acquisition, installation and/or rehabilitation of

1 capital equipment, systems and software used for educational purposes of the Corporation;
2 and (3) costs of issuance, funding a debt service reserve, capitalized interest and credit
3 enhancement fees (collectively, the "Projects"), all to be owned and operated by the
4 Corporation or an affiliated entity and used for the educational purposes thereof; and,

5 WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of
6 and execution by the Authority of all financing documents relating thereto to which the
7 Authority is a party and subject to the sale of the Bonds by the Authority; and,

8 WHEREAS, The Projects are located wholly within the City; and,

9 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
10 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are
11 approved in accordance with Section 147(f) of the Code; and,

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

15 WHEREAS, The Authority has requested the Board to approve the issuance and sale
16 of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code;
17 and,

18 WHEREAS, On July 5, 2008, the City caused a notice to appear in the *San Francisco*
19 *Chronicle*, which is a newspaper of general circulation in the City, stating that a public hearing
20 with respect to the issuance of the Bonds and the plan of financing for the Projects would be
21 held by the City's Office of Public Finance on July 21, 2008; and,

22 WHEREAS, The Office of Public Finance held the public hearing described above on
23 July 21, 2008, and an opportunity was provided for persons to comment on the issuance and
24 sale of the Bonds and plan of financing the Projects; now, therefore, be it
25

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

3 FURTHER RESOLVED, That this Board hereby approves the issuance and sale of the
4 Bonds by the Authority; and, be it

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

9 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
10 the City is neither an approval of the underlying credit issues of the proposed Projects nor an
11 approval of the financial structure of the Bonds; and, be it

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

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

21
22
23
24
25

1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA, City Attorney

5
6 By: _____
7 MARK D. BLAKE
8 Deputy City Attorney

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25