



Contra
Costa
County

To: Board of Supervisors
From: David Twa, County Administrator
Date: August 6, 2019

Subject: CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY/TAX EQUITY AND FISCAL
RESPONSIBILITY ACT (TEFRA) HEARING - BENTLEY SCHOOL

RECOMMENDATION(S):

CONDUCT a public hearing, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, to hear and consider information concerning the proposed issuance by the California Enterprise Development Authority of revenue obligations in an aggregate principal amount not to exceed \$25,000,000; and

ADOPT Resolution No. 2019/519, approving the tax-exempt financing and the issuance of revenue obligations to be issued by the California Enterprise Development Authority to benefit Bentley School (a California not-for-profit corporation).

FISCAL IMPACT:

Pursuant to the Internal Revenue Code, the issuance of the Obligations must be approved by the County because the Facilities are located within the territorial limits of the County. There is no financial impact on the County.

BACKGROUND:

Bentley School, a California not-for-profit corporation, located at 1000 Upper Happy Valley Road in Lafayette has requested that the California Enterprise Development

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **08/06/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: August 6, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Jami Napier, Deputy

Contact: Timothy Ewell,
925-335-1036

cc:

Authority

BACKGROUND: (CONT'D)

(the "CEDA") participate in the issuance of revenue obligations, in an aggregate principal amount not to exceed \$25,000,000 (the "Obligations").

A portion of Obligation proceeds is intended to finance the following: (i) to refinance, through the refunding of certain outstanding tax-exempt revenue bonds previously issued on its behalf, the cost of the construction, improvement and equipping of educational facilities located on its school campus at 1000 Upper Happy Valley Road, Lafayette, California 94549 (the "Project");

In order for the interest on the Obligations to be excluded from the gross income of the owner of the Obligations (i.e. tax-exempt), an "applicable elected representative" of the government unit must approve the issuance of the Obligations after holding a public hearing ("TEFRA hearing") following reasonable public notice. The proposed issuance by the CEDA is classified as a private activity for purposes of the Internal Revenue Code. Because the CEDA's Board of Directors is not an elected body, the Code provides that a government unit with elected representatives and jurisdiction over the area in which the project to be financed is located, in this case, the Board of Supervisors of Contra Costa County, is an "applicable elected representative" with respect to the issuance.

The Code requires that the Board of Supervisors hold a TEFRA public hearing regarding the issuance of the Obligations and that a resolution approving the issuance of the bonds by the CEDA be adopted. The County is already a member of the CEDA, which allows the CEDA jurisdiction to issue the Obligations. Therefore, staff recommends that the Board of Supervisors hold the public hearing, consider public input, and adopt the resolution regarding the issuance of the Obligations. This approval is with the expressed understanding that the County shall have no obligation whatsoever to pay any principal, interest, fees or any other costs associated with the CEDA's issuance of these Obligations. In addition, the Resolution notes that the County has not participated in a review of the financing documents associated with the issuance.

CLERK'S ADDENDUM

Conducted a public hearing, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, to hear and consider information concerning the proposed issuance by the California Enterprise Development Authority of revenue obligations in an aggregate principal amount not to exceed \$25,000,000; and Adopted Resolution No. 2019/519, approving the tax-exempt financing and the issuance of revenue obligations to be issued by the California Enterprise Development Authority to benefit Bentley School (a California not-for-profit corporation).

ATTACHMENTS

Resolution 2019/519

Proof of Publication