

The background features a large, light gray watermark of the University of Fullerton seal. The seal is circular and contains the text "UNIVERSITY OF FULLERTON" at the top and "CALIFORNIA" at the bottom. In the center of the seal is a shield with various symbols, including a book, a building, and a figure. The main title "TEFRA PUBLIC HEARING" is overlaid on the seal in a bold, orange, sans-serif font.

TEFRA PUBLIC HEARING

JULY 20, 2021



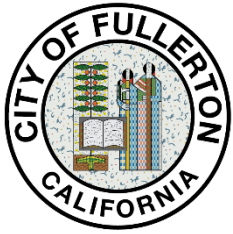
Tax and Equity Fiscal Responsibility Act (TEFRA)

- To issue tax-exempt debt obligations on behalf of non-profits, the TEFRA requires a public hearing at the local jurisdiction of where the facilities are located.
- There is no fiscal impact to the City. The City acts as a conduit to allow for the tax exempt financing.
 - Bonds are limited obligations of the Issuance Organization
 - Principal; Premium, if any; and Interest Paid Solely by Marshall B. Ketchum (MBKU)
 - No City of Fullerton Obligations
 - No City Reporting or Continuing Disclosure Obligations



Marshall B. Ketchum University (MBKU) Projects

- MBKU is requesting the City of Fullerton Public Financing Authority (the “Authority”) facilitate the issuance of revenue obligations (the “Obligations”) in an amount not to exceed \$35 million for the purpose of:
 - Refunding the outstanding the Authority Series 2015A (Tax Exempt) and 2015B (Taxable) proceeds to:
 - Finance or refinance cost of acquisition, construction, improvement, renovation, furnishing and equipping of educational facilities of MBKU located at:
 - 2575 Yorba Linda Boulevard, including a library and lecture hall, parking and maintenance facilities and lab and clinic renovations and other campus facilities and improvements; and
 - 2029 Woodbriar Court, 2016 Ravenhill Court and 2025 Ravenhill Court, including faculty housing
 - And pay certain costs of issuance in connection with the obligations.



Public Hearing & Recommendation

TEFRA Public Hearing

- To satisfy the Federal and State tax code, the City is required to conduct tonight's public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended.

Recommendation

- It is recommended that the City Council of the City of Fullerton adopt:

RESOLUTION NO. 2021-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA APPROVING THE ISSUANCE OF REVENUE OBLIGATIONS FOR THE PURPOSE OF REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR SUCH OBLIGATIONS AND OTHER MATTERS RELATING THERETO FOR THE BENEFIT OF MARSHALL B. KETCHUM UNIVERSITY, AND/OR A RELATED OR SUCCESSOR ENTITY.

- It is recommended that the Board of Directors of the Fullerton Public Financing Authority adopt:

RESOLUTION NO. FPFA-XX – AUTHORIZING AND APPROVING THE ISSUANCE OF BONDS IN AN AMOUNT NOT TO EXCEED \$35,000,000 FOR THE PURPOSE OF MAKING A LOAN TO MARSHALL B. KETCHUM UNIVERSITY, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF CERTAIN PROPERTY, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED.