



# Monterey County

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## Board Report

Legistar File Number: 14-1264

December 02, 2014

Introduced: 11/17/2014

Current Status: Scheduled AM

Version: 1

Matter Type: General Agenda Item

- a. Conduct a public hearing under the requirements of the Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and
- b. Adopt a resolution approving the issuance by the California Enterprise Development Authority of revenue obligations for the benefit of the Esalen Institute in an aggregate amount not to exceed \$11,000,000 for the purpose of financing and refinancing the cost of the acquisition, construction, renovation, installation, equipping and furnishing certain facilities, providing the terms and conditions for such obligations and other matters relating thereto.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing under the requirements of the Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and
- b. Adopt a resolution approving the issuance by the California Enterprise Development Authority of revenue obligations for the benefit of the Esalen Institute in an aggregate amount not to exceed \$11,000,000 for the purpose of financing and refinancing the cost of the acquisition, construction, renovation, installation, equipping and furnishing certain facilities, providing the terms and conditions for such obligations and other matters relating thereto.

### SUMMARY:

Esalen Institute (Esalen) is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California that has requested that the California Enterprise Development Authority (CEDA) issue tax-exempt and/or taxable revenue obligations in an aggregate principal amount not to exceed \$11,000,000 for the benefit of Esalen pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the "ACT") to finance and refinance the cost of acquisition, construction, renovation, remodeling, improvement, installation, equipping and furnishing of staff and guest housing, administrative, educational, meeting, and dining facilities comprising approximately 67,000 square feet of space and related infrastructure (collectively the "Facilities"), all located at 54105, 54850, and 55000 Highway 1, Big Sur, California, comprising assessor parcel numbers 421-011-005, 421-011-006, 421-011-007, 421-011-008 and/or 421-011-018, and pay certain costs of issuance in connection with the transaction.

### DISCUSSION:

Monterey County is an associate member of CEDA authorized to participate in CEDA's conduit financing programs. Pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the obligations must be approved by the governmental unit having jurisdiction over the territorial limits in which the Facilities are located.

The payment of principal, prepayment premium, if any, and purchase price of and interest on the Bonds shall be solely the responsibility of Esalen. The County will have no financial, legal, moral obligation, liability, responsibility for the project, or repayment of the Bonds. All financing documents with respect to this issuance of Bonds will contain clear disclaimers that the Bonds are not obligations of the County or the State of California, but are to be paid solely from funds provided by the borrower.

OTHER AGENCY INVOLVEMENT:

County Counsel and the County Administrative Office have reviewed this recommendation and concur with the recommendations.

FINANCING:

The staff cost of processing this request has been financed by Fund 001, Budget Unit 1110 (Auditor-Controller).

Prepared by: Ron Holly, Chief Deputy Auditor-Controller, x5493

Approved by: Michael J. Miller, CPA, CISA, Monterey County Auditor-Controller, x5084

Attachments:

Resolution