



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY ATTORNEY

File #: 25-463

Board Meeting Date: 6/10/2025

Special Notice / Hearing: 7 days newspaper publication (26 CFR §1.147(f)-1)

Vote Required: Majority

To: Honorable Board of Supervisors

From: John D. Nibbelin, County Attorney

Subject: Public Hearing and Resolution Approving Issuance of California Enterprise Development Authority Tax-Exempt Revenue Bonds for the benefit of Crystal Springs Upland School

RECOMMENDATION:

Conduct a public hearing under the Tax Equity and Fiscal Responsibility Act (TEFRA) regarding the issuance of tax-exempt bonds by the California Enterprise Development Authority:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution approving the issuance by the California Enterprise Development Authority of tax-exempt revenue bonds for the benefit of Crystal Springs Uplands School or a related entity in an aggregate principal amount not to exceed \$35,000,000 for the purpose of financing, refinancing and/or reimbursing the cost of the construction, improvement, equipping and furnishing of certain educational facilities located within San Mateo County.

BACKGROUND:

The California Enterprise Development Authority (the "Authority") was created on June 1, 2006 pursuant to a joint exercise of powers agreement (the "Agreement") to assist its members and for-profit and nonprofit organizations located within the jurisdictions of the members in financing industrial and commercial development projects and other public purpose projects. To date, hundreds of cities and 36 counties, including the County of San Mateo, have become members of the Authority.

The Agreement provides that the Authority is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the Authority do not constitute debts, liabilities or obligations of the members executing such Agreement.

DISCUSSION:

Crystal Springs Uplands School, a nonprofit public benefit corporation or a related entity (the “Borrower”), duly organized and existing under the laws of the State of California (the “State”), has requested that the Authority issue its tax-exempt revenue bonds in an aggregate maximum stated principal amount not to exceed \$35,000,000 for the benefit of the Borrower, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the “Act”) for the purpose of (1) financing, refinancing and/or reimbursing the Borrower for the cost of the construction, improvement, equipping and furnishing of the real property and improvements located at 400 Uplands Drive, Hillsborough, California 94010 (in an amount not to exceed \$33,000,000) and at 10 Davis Drive, Belmont, California 94002 (in an amount not to exceed \$2,000,000) (the “Facilities”) and (2) paying capitalized interest and certain costs of issuance in connection with the issuance of the Bonds.

In order for all or a portion of the Bonds to qualify as tax-exempt obligations, the County, as the Authority member within whose jurisdiction the Facilities are sited, must conduct a public hearing (the “TEFRA Hearing”) to provide the members of the community an opportunity to speak in favor of or against the use of tax-exempt obligations for the financing of the Facilities. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. A Notice of Public Hearing was published in San Mateo County on or before June 3, 2025, notifying all interested persons that a public hearing would be held on June 10, 2025 by the County for the purpose of approving the issuance of the Bonds.

The Bonds to be issued by the Authority for the Facilities will be the sole responsibility of the Borrower, and the County will have no financial, legal, moral obligation, liability or responsibility for the Facilities or the repayment of the Bonds. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not an obligation of the County or the State of California but is to be paid for solely from funds provided by the Borrower.

Participation by the County in the Authority will not impact the County’s appropriations limits and will not constitute any type of indebtedness by the County. Outside of holding the TEFRA hearing and adopting the required resolution, no other participation or activity of the County or the Board of Supervisors with respect to the issuance of the Bonds will be required.

COMMUNITY IMPACT:

The Bonds authorized by the Board’s action will help finance improvements to educational facilities, which will provide benefits to the community.

FISCAL IMPACT:

There is no cost to the County associated with this action. There will be no fiscal impact to the County associated with any Bonds that are authorized or issued by this action.