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VIA PREMIER SUPPORT SERVICE

October 3, 2018

Richard Elias, Chair
Ms. Sharon Bronson
Mr. Steve Christy
Ms. Ally Miller
Mr. Ramón Valadez

PIMA COUNTY BOARD OF SUPERVISORS

County Administration Building
130 West Congress Street, 11th Floor
Tucson, Arizona 85701

Re: Public Hearing Regarding The Industrial Development Authority of the
County of Pima - Education Facility Refunding Revenue Bonds (Telesis
Preparatory Academy Refunding Project), Series 2018 - In the Principal
Amount Not to Exceed \$8,000,000

Mr. Chair and Members of the Board:

Upon review by bond counsel, they determined that a public hearing was required to be held by The Industrial Development Authority of the County of Pima (the "*Authority*"), which was held on October 2, 2018. The Authority and the Board of Supervisors had previously approved the issuance of the Authority's Education Facility Refunding Revenue Bonds (Telesis Preparatory Academy Refunding Project), Series 2018, (the "*Bonds*"), the proceeds of which are to be loaned to the Charter Schools Development Corporation, including its assignee CSDC Facilities Corporation (the "*Borrower*"), who will lease the Project, as described in the related Resolution, to Telesis Center for Learning, Inc. (the "*School*"), an Arizona nonprofit corporation which is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the "*Code*"). The Borrower and the School have indicated that the maximum amount is now not to exceed \$8,000,000.

The Authority held the public hearing on October 2, 2018, for which no written comments were sent and at which no public showed to present comments. Bond counsel has required the approval of the Pima County Board of Supervisors. Therefore, the Authority respectfully requests that this matter be placed on the Board of Supervisors' Regular Meeting Agenda scheduled for October 16, 2018, for the purpose of having the Board of Supervisors approve the issuance of the Bonds and the public hearing related thereto. Enclosed herewith is the Resolution of the Board of Supervisors.

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As always, the Bonds are special limited obligations of the Authority. The Bonds are payable solely from payments made by the Borrower pursuant to a loan agreement and will be secured by a deed of trust on the project site. Such payments are pledged to the Bondholders pursuant to an indenture of trust between the Authority and UMB Bank, N.A., as trustee. Neither the faith and credit, nor the taxing power of the Authority or Pima County or any other political subdivision thereof, are pledged to the payment of the Bonds. The Authority has no taxing power.

I will be available prior to the meeting to answer any questions you may have, or to meet with you at your convenience. Thank you for your consideration of this matter.

Sincerely,

RUSSO, RUSSO & SLANIA, P.C.

/s/

Michael A. Slania
Attorney for the Authority

MAS/at
Enclosures

c: Ms. Julie Castañeda (with enclosures)
Regina Nassen, Esq., Counsel to the Board
Charles Huckelberry, Pima County Administrator
Jan Leshner, Deputy Pima County Administrator
Patrick Cavanaugh, Economic Development Deputy Director

RESOLUTION NO. 2018 - ____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, FOR THE PURPOSE OF SATISFYING SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPROVING THE ISSUANCE OF THE NOT TO EXCEED \$8,000,000 EDUCATION FACILITY REFUNDING REVENUE BONDS (TELESIS PREPARATORY ACADEMY REFUNDING PROJECT), SERIES 2018A&B AND DECLARING AN EMERGENCY

WHEREAS, the purpose of this resolution is to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), in order to qualify all or a portion of the interest on tax-exempt, taxable, and/or taxable convertible to tax-exempt debt expected to be referred to as The Industrial Developmental Authority of the County of Pima Education Facility Refunding Revenue Bonds (Telesis Preparatory Academy Refunding Project) (the "Bonds"), in an amount not to exceed \$8,000,000 outstanding at any time, to be issued in one or more series or issuances from time to time pursuant to a plan of finance by The Industrial Development Authority of the County of Pima (the "Authority") for the benefit of the Borrower (as defined below), for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Code; and

WHEREAS, the proceeds of the Bonds will be used to make a loan to CSDC Facilities Corporation, a District of Columbia nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the "Borrower") and used for the purposes of: (a) refunding of certain debt, the proceeds from which were used, among other things, to (i) refinance the costs of acquiring, constructing, renovating, improving, and equipping land and buildings located at 2598 Starlite Lane in Lake Havasu City, Arizona 86403 and 2610 Palo Verde Boulevard South in Lake Havasu City, Arizona 86403 (collectively, the "Existing Facilities") and (ii) finance the costs of constructing, renovating, improving, and equipping additions to the Existing Facilities (the "Improvements" and, together with the Existing Facilities, the "Facilities"); (b) funding of any required reserves on the Bonds; and (c) paying certain issuance expenses of the Bonds (collectively, the "Project"), and

WHEREAS, the Facilities will be used as a charter school facility; and

WHEREAS, the Facilities will be owned by the Borrower and leased to and operated by Telesis Center for Learning, Inc., an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Code and operator of the Facilities (the "Lessee"), pursuant to a lease agreement by and between the Borrower and the Lessee; and

WHEREAS, on November 13, 2017, the Authority resolved to issue the Bonds (the "*Authority's Resolution*"); and

WHEREAS, on November 21, 2017, the Pima County Board of Supervisors adopted Resolution No. 2017-87 (the "*BOS Resolution*"), which approved the issuance of the Bonds for the purposes expressed in such Resolution; and

WHEREAS, on September 10, 2018, the Authority amended the Authority's Resolution (the "*Amended Authority Resolution*") regarding the Bonds to change the obligor on the Bonds and provide for the lease of the Facilities to the Lessee, a change in the purchaser to NBH Bank, and a change in series designation; and

WHEREAS, on September 18, 2018, the Pima County Board of Supervisors amended its BOS Resolution (the "*Amended BOS Resolution*") to change the obligor on the Bonds and provide for the lease of the Facilities to the Lessee, to change the purchaser and to change the series designation; and

WHEREAS, at the request of bond counsel and in order to satisfy the requirements of Section 147(f) of the Code, a public hearing concerning the Project and the proposed Bonds was held by the Authority at 8:30 a.m. on October 2, 2018 (the "Public Hearing"), after reasonable public notice was given in accordance with applicable law; and

WHEREAS, after reasonable public notice was given, the Public Hearing was held and no oral or written objections were raised with respect to the proposed nature and location of the Project and the financing thereof with the proposed issuance of the Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, the chief elected official representing this Board of Supervisors must approve the issuance of the Bonds after a public hearing following reasonable public notice, which hearing has been conducted by the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, as follows:

1. Pursuant to Section 147(f) of the Code and the Act, the Pima County Board of Supervisors, as the governing body of the Authority and the applicable elected representative of a governmental unit having jurisdiction over the Facilities to be financed or refinanced with the proceeds of the Bonds, hereby approves the Bonds and the proceedings under which the Bonds are to be issued by the Authority, including specifically the Authority's Resolution, as amended by the Authority Amended Resolution;
2. This Resolution shall be in full force and effect from and after its passage as provided by law, and any provisions of any previous resolutions in conflict with the provisions herein are hereby superseded;
3. The appropriate officers of the Pima County Board of Supervisors are hereby authorized and directed to do all such things and to execute and deliver all such documents on behalf of Pima County as may be necessary or desirable to effectuate the intent of this Resolution; and
4. It is necessary for the preservation of the peace, health and safety of Pima County, Arizona that this resolution becomes immediately effective, and, accordingly, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County,
Arizona this ____ day of _____, 2018.

Richard Elias, Chair
PIMA COUNTY BOARD OF SUPERVISORS

ATTEST:

Julie Castañeda, Clerk
PIMA COUNTY BOARD OF SUPERVISORS

APPROVED AS TO FORM:

KUTAK ROCK LLP,
Bond Counsel

By: Kutak Rock LLP