

1 **WHEREAS**, the City of Santa Fe, New Mexico (the “City”) is authorized by Sections 3-32-1
2 through 3-32-16, NMSA 1978, as amended (the “Act”) to issue revenue bonds for the purposes set
3 forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things,
4 the cost of acquisition, construction and installation of certain facilities constituting a project (as
5 defined under the Act); and

6 **WHEREAS**, pursuant to Section 3-23-3 NMSA 1978, of the Industrial Bond Act, “project”
7 also means any land and building or other improvements thereon and all real and personal property
8 deemed necessary in connection therewith whether or not now in existence which shall be suitable for
9 use by any private institution of higher education or any nonprofit corporation. St. Johns College is a
10 nonprofit corporation and a private institution of higher education within the meaning of the Section;
11 and

12 **WHEREAS**, the City’s procedures set forth in Ordinance 11-11 and in Ordinance 6-17.2,
13 whereby the business and quality of life committee and its economic development review
14 subcommittee are to review and make recommendations to the governing body on applications for
15 industrial revenue bonds (IRB’s) as set forth in Resolution No. 1995-83 as amended by Resolution
16 No. 2008-67, are not applicable to bonds issued by the City for private institutions of higher
17 education or any nonprofit corporation, as defined by Section 3-23-3 NMSA 1978 of the Industrial
18 Revenue Bond Act.

19 **WHEREAS**, the College has requested the City to issue a series of its bonds in an amount
20 sufficient, together with other moneys available therefor, to finance certain capital costs, including
21 construction of new dormitory facilities and the rehabilitation of existing dormitory facilities on the
22 campus of the College located within the City (the “Project”) at the following address: 1160 Camino
23 Cruz Blanca, Santa Fe, New Mexico.

24 **WHEREAS**, in furtherance of the purposes set forth in the Act, the City agrees to finance the
25 Project by the sale and issuance of a series of its industrial revenue bonds and intends to authorize

1 such actions as might be required to implement the financing of the Project;

2 **WHEREAS**, pursuant to and in accordance with the provisions of the Act, the City proposes
3 to undertake the construction, acquisition and installation of the Project which will be suitable for use
4 by the College, a nonprofit corporation engaged in providing educational services, and which will be
5 sold to the College pursuant to an Installment Sale Agreement dated as of July 1, 2011 (the
6 “Agreement”); and

7 **WHEREAS**, the City proposes to construct, acquire and install the Project as an authorized
8 project under the Act and to finance the cost thereof by the issuance of a series of revenue bonds of
9 the City under an Indenture of Trust dated as of July 1, 2011 (the “Indenture”) from the City to U.S.
10 Bank Corporate Trust Services, as trustee; and

11 **WHEREAS**, pursuant to and in accordance with provisions of the Act, the City is now
12 prepared to proceed with financing the costs of the Project by the issuance and sale of its Educational
13 Facilities Revenue Bonds (St. John’s College Project), Series 2011 (the “Bonds”), such Bonds to be
14 secured by the Indenture; and

15 **WHEREAS**, Wells Fargo Bank, N.A (the “Purchaser”) has offered to purchase the Bonds on
16 the terms set forth in the Indenture and pursuant to a Bond Purchase Agreement among the City, the
17 College and the Purchaser (the “Bond Purchase Agreement”); and

18 **WHEREAS**, the City Council has been presented with this Ordinance and has been
19 requested to publish a notice of public hearing, on this Ordinance.
20

21 **BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:**

22 **Section 1.** The words and terms used in this Ordinance shall have the meanings set forth
23 in the recitals of this Ordinance unless the context clearly indicates another or different meaning or
24 intent.

25 **Section 2.** All action (not inconsistent with the provisions of this Ordinance) heretofore

1 taken by the City Council and the officials of the City directed toward the Project and the sale and
2 issuance of industrial revenue bonds therefor be and the same is hereby ratified, approved and
3 confirmed.

4 **Section 3.** Pursuant to the Act, the City Council does hereby authorize the financing of
5 the Project in accordance with the terms of the Agreement and does hereby determine it is in
6 furtherance of the public purposes set forth in the Act; that the Project promotes the local economy,
7 creates and maintains jobs and improves local health and the general welfare by inducing private
8 institutions of higher education, nonprofit corporations to locate and expand in the City; and that,
9 therefore, providing financing for the Project through the issuance and sale of the Bonds is in the
10 public interest. The City Council further determines that no property tax revenues are being lost by
11 the City and no other public moneys are being expended by virtue of the financing, that assistance to
12 nonprofit educational colleges is recognized by the Act to further a public purpose. The City Council
13 further determines that none of the procedures set forth in Ordinances 11-11 apply to these Bonds
14 because they are being issued for a private institution of higher education and nonprofit corporations
15 that are exempt from property tax and that therefore no review of the financing of the Project by the
16 Economic Development Review Committee or the Business and Quality of Life Committee, pursuant
17 to Resolution No. 1995-83, as amended by Resolution 2008-67, or Ordinance No. 1996-21 is
18 required.

19 **Section 4.**

20 A. To provide for the costs of the Project, City does hereby authorize the issuance of
21 industrial revenue bonds of the City under the Act, to be designated as set forth in the recitals of this
22 Ordinance, in an aggregate principal amount \$10,000,000. The Bonds shall mature on July 1, 2028
23 and bear interest at the rate not to exceed __% per annum.

24 B. Issuer intends and reasonably expects that the College shall reimburse itself for
25 Project costs incurred and paid by College on or after 60 days prior to the date of adoption of this

1 Ordinance, or either if permitted by law.

2 C. The Bonds shall be dated and numbered and shall be in the form as provided in the
3 Indenture and shall be otherwise subject to redemption prior to maturity upon the terms and
4 conditions set forth in the Indenture. The Bonds shall be sold to the Purchaser at a purchase price of
5 100% of the principal amount thereof. Interest on the Bonds shall be payable at the times specified in
6 Article II of the Indenture. Bonds maturing on or after July 1, 2013 may be redeemed at the option of
7 College on terms set forth in the Indenture. The Bonds are subject to sinking fund redemption as set
8 forth in the Indenture.

9 **Section 5.** The City Council does hereby find, declare and determine that (i) other than
10 the debt service reserve fund as provided by the Indenture, it is not deemed advisable to establish any
11 reserve funds in connection with the retirement of the Bonds or the maintenance of the Project,
12 (ii) pursuant to the Agreement, the College is obligated to maintain the Project and to carry all proper
13 insurance with respect to the Project, and (iii) pursuant to the Agreement, the College is obligated to
14 pay rental payments sufficient to pay the principal of and interest on the Bonds in each year the
15 Bonds are outstanding and to fund any deficiencies in the debt service reserve fund provided in the
16 Indenture. In connection with the issuance of the Bonds, the following determinations and findings
17 are hereby made pursuant to Section 3-32-7 of the Act:

18 A. It is hereby determined and found that the maximum amount necessary in each year
19 to pay the principal of and interest on the Bonds is as follows:

<u>Period Ending March 1</u>	<u>Principal Debt Service</u>	<u>Interest for such Period</u>	<u>Annual Debt Service</u>
2012			
2013			
2014			

<u>Period Ending March 1</u>	<u>Principal Debt Service</u>	<u>Interest for such Period</u>	<u>Annual Debt Service</u>
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			

1 B. It is hereby determined that the Reserve Fund created under the Indenture is required
2 to be initially funded in the amount of the Reserve Fund Requirement (as defined in the Indenture) on
3 the date of delivery of the Bonds.

4 **Section 6.** The Bonds shall be executed on behalf of the City with the manual or
5 facsimile signature of the Mayor of the City. The Bonds shall be countersigned by the manual or
6 facsimile signature of the Treasurer of the City, and shall be attested by the manual or facsimile
7 signature of the City Clerk and shall have impressed or imprinted thereon the official seal of the City.
8 If any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officer

1 of the City before the Bonds so signed and sealed shall have been actually authenticated by the
2 Trustee or delivered by the City, such Bonds nevertheless may be authenticated, issued and delivered
3 with the same force and effect as though the person or persons who signed or sealed such Bonds had
4 not ceased to be such officer or officers of the City; and also any such Bonds may be signed and
5 sealed on behalf of the City by those persons who, on the actual date of the execution of such Bonds,
6 shall be the proper officers of the City, although at the nominal date of such Bonds any such person
7 shall not have been such officer of the City.

8 **Section 7.** The Bonds shall be limited obligations of the City and, except to the extent
9 payable from Bond proceeds or moneys from the investment thereof, shall be payable solely from the
10 revenues received by or on behalf of the City pursuant to the Agreement and otherwise as provided
11 therein and in the Indenture. The Bonds and interest thereon shall never constitute an indebtedness of
12 the City within the meaning of any constitutional or statutory limitation and shall never constitute nor
13 give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers, and
14 such fact shall be plainly stated on the face of each Bond. The City shall have no obligation with
15 respect to the Project, and all costs, expenses, taxes, governmental charges and fees and charges with
16 respect to the Project shall be paid by the College.

17 **Section 8.** U.S. Bank Corporate Trust Services is hereby designated as trustee, paying
18 agent and registrar for the Bonds under the Indenture.

19 **Section 9.** The Indenture is hereby approved in substantially the form submitted to this
20 meeting, and the Mayor of the City (or in the event of his unavailability, the Mayor Pro Tem) is
21 hereby authorized and directed to execute, acknowledge and deliver the Indenture with such changes
22 therein as shall be approved by the Mayor (or in the event of his unavailability, the Mayor Pro Tem),
23 the execution of such document by the Mayor (or, in the event of his unavailability, the Mayor Pro
24 Tem) to constitute conclusive evidence of such approval, and the City Clerk is hereby authorized and
25 directed to attest to the Indenture and to affix to the Indenture the official seal of the City.

1 **Section 10.** The Agreement between the City and the College is hereby approved in
2 substantially the form submitted to this meeting, and the Mayor of the City (or, in the event of his
3 unavailability, the Mayor Pro Tem) is hereby authorized and directed to execute, acknowledge and
4 deliver the Agreement with such changes therein as shall be approved by the Mayor (or, in the event
5 of his unavailability, the Mayor Pro Tem), the execution of such document by the Mayor (or, in the
6 event of his unavailability, the Mayor Pro Tem) to constitute conclusive evidence of such approval,
7 and the City Clerk is hereby authorized and directed to attest to the Agreement and to affix to such
8 document the official seal of the City.

9 **Section 11.** The Bond Purchase Agreement is hereby approved in substantially the form
10 submitted to this meeting, and the Mayor of the City (or in the event of his unavailability, the Mayor
11 Pro Tem) is hereby authorized to complete such Bond Purchase Agreement and to execute and deliver
12 said Bond Purchase Agreement on behalf of the City in substantially the form presented to this
13 meeting with such changes therein as shall be approved by the Mayor (or, in the event of his
14 unavailability, the Mayor Pro Tem), the execution of such document by the Mayor (or, in the event of
15 his unavailability, the Mayor Pro Tem) to constitute conclusive evidence of such approval.

16 **Section 12.** Each of the Mayor (or, in the event of his unavailability, the Mayor Pro
17 Tem), the City Clerk and the Treasurer of the City are hereby empowered and directed to execute and
18 deliver the Bonds and all documents, tax agreements and certificates and other instruments which
19 may be required under the terms of the the Indenture, the Agreement, the Bond Purchase Agreement
20 and this Ordinance.

21 **Section 13.** The Bonds are hereby approved for the purpose of Section 147(f) of the
22 Internal Revenue Code of 1986, as amended.

23 **Section 14.** The provisions of this Ordinance are hereby declared to be separable, and if
24 any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall
25 not affect the validity of the remainder of the sections, phrases and provisions.

