



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

7                   **WHEREAS**, the City’s procedures set forth in Ordinance 11-11 and in Ordinance 6-  
8 17.2, whereby the business and quality of life committee and its economic development review  
9 subcommittee are to review and make recommendations to the governing body on applications for  
10 industrial revenue bonds (IRB’s) as set forth in Resolution No. 1995-83 as amended by Resolution  
11 No. 2008-67, are not applicable to bonds issued by the City for private institutions of higher  
12 education or any nonprofit corporation, as defined by Section 3-23-3 NMSA 1978 of the Industrial  
13 Revenue Bond Act.

14                   **WHEREAS**, the College has requested the City to issue a series of its bonds in an  
15 amount sufficient, together with other moneys available therefor, to finance certain capital costs,  
16 including construction of new dormitory facilities on the campus of the College located within the  
17 City (the “Project”) at the following address: 1160 Camino Cruz Blanca, Santa Fe, New Mexico and  
18 to pay for certain costs of issuance of such bonds.

19                   **WHEREAS**, in furtherance of the purposes set forth in the Act, the City agrees to  
20 finance the Project by the sale and issuance of a series of its industrial revenue bonds and intends to  
21 authorize such actions as might be required to implement the financing of the Project;

22                   **WHEREAS**, pursuant to and in accordance with the provisions of the Act, the City  
23 proposes to undertake the construction, acquisition and installation of the Project which will be  
24 suitable for use by the College, a nonprofit corporation engaged in providing educational services,  
25 and which will be sold to the College pursuant to an Installment Sale Agreement dated as of June 1,

1 2011 (the "Agreement"); and

2           **WHEREAS**, the City proposes to construct, acquire and install the Project as an  
3 authorized project under the Act and to finance the cost thereof by the issuance of a series of revenue  
4 bonds of the City under an Indenture of Trust dated as of June 1, 2011 (the "Indenture") from the City  
5 to U.S. Bank Corporate Trust Services, as trustee; and

6           **WHEREAS**, pursuant to and in accordance with provisions of the Act, the City is  
7 now prepared to proceed with financing the costs of the Project by the issuance and sale of its  
8 Educational Facility Revenue Bonds, Series 2011 (St. John's College Project) (the "Bonds"), such  
9 Bonds to be secured by the Indenture; and

10           **WHEREAS**, Wells Fargo Bank, N.A (the "Purchaser") has offered to purchase the  
11 Bonds on the terms set forth in the Indenture and pursuant to a Bond Purchase Agreement among the  
12 City, the College and the Purchaser (the "Bond Purchase Agreement"); and

13           **WHEREAS**, there has been presented to the City Council at such meeting: (1) the  
14 proposed form of Agreement; (2) the proposed form of Indenture; and (3) the proposed form of a  
15 Bond Purchase Agreement;

16  
17 **BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:**

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

21           **Section 2.**       All action (not inconsistent with the provisions of this Ordinance)  
22 heretofore taken by the City Council and the officials of the City directed toward the Project and the  
23 sale and issuance of industrial revenue bonds therefor be and the same is hereby ratified, approved  
24 and confirmed.

25           **Section 3.**       Pursuant to the Act, the City Council does hereby authorize the

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

15 **Section 4.**

16 A. To provide for the costs of the Project and to pay certain costs of issuance of  
17 the Bonds, the City does hereby authorize the issuance of industrial revenue bonds of the City under  
18 the Act, to be designated as set forth in the recitals of this Ordinance, in an aggregate principal  
19 amount not to exceed \$10,000,000. The Bonds shall be payable in monthly installments of principal  
20 and interest with a final payment on July 1, 2028. The Bonds shall bear interest at a rate not to  
21 exceed the maximum rate permitted by law.

22 B. Issuer intends and reasonably expects that the College shall reimburse itself  
23 for Project costs incurred and paid by College on or after 60 days prior to the date of adoption of this  
24 Ordinance, or either if permitted by law.

25 C. The Bonds shall be dated and numbered and shall be in the form as provided

1 in the Indenture and shall be otherwise subject to redemption prior to maturity upon the terms and  
 2 conditions set forth in the Indenture. The Bonds shall be sold to the Purchaser at a purchase price of  
 3 100% of the principal amount thereof. Interest on the Bonds shall be payable at the times specified in  
 4 Article II of the Indenture.

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

14 A. It is hereby determined and found that the maximum amount that  
 15 may be necessary in each year to pay the principal of and interest on the Bonds, assuming no Event of  
 16 Default occurs or is continuing, is as follows:

Period Ending <u>July 1</u>	Principal Debt <u>Service</u>	Interest for such <u>Period</u>	Annual Debt <u>Service</u>
2012	0	380,100.00	380,100.00
2013	32,510.70	378,000.00	410,510.70
2014	399,770.20	368,358.62	768,128.82
2015	418,135.60	349,993.25	768,128.85
2016	437,344.60	330,784.18	768,128.78

Period Ending <u>July 1</u>	Principal Debt <u>Service</u>	Interest for such <u>Period</u>	Annual Debt <u>Service</u>
2017	457,436.00	310,692.65	768,128.65
2018	478,450.70	289,678.11	768,128.81
2019	500,430.60	267,698.17	768,128.77
2020	523,420.40	244,708.47	768,128.87
2021	547,466.00	220,662.65	768,128.65
2022	572,616.70	195,512.13	768,128.83
2023	598,922.40	169,206.23	768,128.63
2024	626,437.00	141,691.84	768,128.84
2025	655,215.20	112,913.44	768,128.64
2026	685,316.00	82,812.96	768,128.96
2027	716,799.30	51,329.65	768,128.95
2028	749,728.60	18,400.05	768,128.65

1                   B.       It is hereby determined that the Reserve Fund created under the  
2 Indenture is required to be funded in the amount of the Reserve Fund Requirement (as defined in the  
3 Indenture) as Advances for the costs of the Project are made to the College.

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  
9 of the City before the Bonds so signed and sealed shall have been actually authenticated by the

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

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

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

18 **Section 9.** The Indenture is hereby approved in substantially the form submitted  
19 to this meeting, and the Mayor of the City (or in the event of his unavailability, the Mayor Pro Tem)  
20 is hereby authorized and directed to execute, acknowledge and deliver the Indenture with such  
21 changes therein as shall be approved by the Mayor (or in the event of his unavailability, the Mayor  
22 Pro Tem), including establishment of the final principal amount and interest rate for the Bonds, not to  
23 exceed the maximums set forth in this Ordinance. The execution of such document by the Mayor (or,  
24 in the event of his unavailability, the Mayor Pro Tem) shall constitute conclusive evidence of such  
25 approval, and the City Clerk is hereby authorized and directed to attest to the Indenture and to affix to

1 the Indenture the official seal of the City.

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

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

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

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

24           **Section 14.**     The provisions of this Ordinance are hereby declared to be separable,  
25 and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration

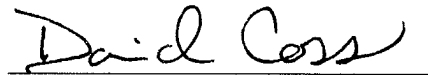


1 shall not affect the validity of the remainder of the sections, phrases and provisions.

2           **Section 15.** All ordinances, orders, resolutions and parts thereof in conflict  
3 herewith are hereby repealed to the extent of such conflict.

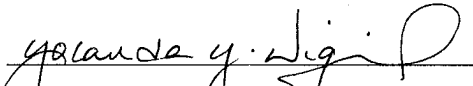
4           **Section 16.** Immediately after its final passage and approval, this Ordinance shall  
5 be signed and authenticated by the signatures of the Mayor and City Clerk, the seal of the City shall  
6 be affixed hereto, and this Ordinance shall be published by title and summary in the Albuquerque  
7 Journal, a newspaper which maintains an office in, and is of general circulation in the City. This  
8 Ordinance shall become effective five days after such publication and shall be recorded in a book  
9 kept for that purpose.

10                           PASSED, APPROVED and ADOPTED this 25<sup>th</sup> day of May, 2011.

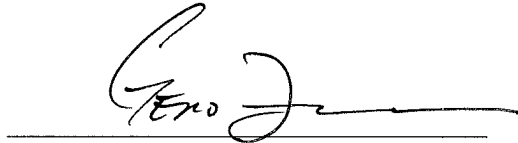
11  
12  
13 

14                           DAVID COSS, MAYOR

15   ATTEST:

16  
17   
18   YOLANDA Y. VIGIL, CITY CLERK

19   APPROVED AS TO FORM:

20  
21 

22   GENO ZAMORA, CITY ATTORNEY

23  
24  
25   *mdb/cao/jep&mdb/Ordinances 2011/St Johns bond*