

**CRESTVIEW LOCAL BOARD OF EDUCATION
SPECIAL MEETING**

April 22, 2015

A special meeting of the Crestview Local Board of Education will be held on Wednesday afternoon April 22, 2015 at 4:15 PM in the Performing Arts Center.

AGENDA

Visitors ----- We are glad for your presence.

In accordance with Bylaw 0169.1C all persons wishing to participate in a public Board meeting shall register their intent with the Treasurer one-half (1/2) hour in advance of the meeting and include name and address of the participant, group affiliation if appropriate, and the topic to be addressed.

CALL TO ORDER

Roll Call: Garwood Miller Tucker Vollnogle Weikart Hephner

Superintendent's Requests:

1. Recommend: The Board approve the following resolution.

A RESOLUTION APPROVING AND AUTHORIZING A GROUND LEASE AND LEASE PURCHASE AGREEMENT AND RELATED DOCUMENTS PROVIDING FOR THE CONSTRUCTION AND OTHER IMPROVEMENT, FURNISHING AND EQUIPPING, AND THE LEASE AND EVENTUAL ACQUISITION, OF CLASSROOM FACILITIES IMPROVEMENTS TO CRESTVIEW HIGH SCHOOL.

WHEREAS, Section 3313.375 of the Revised Code provides that the board of education of a school district may enter into a lease-purchase agreement providing for the construction, furnishing and equipping, and lease and eventual acquisition, of a building or improvements to a building for any school district purpose, and, in conjunction therewith, may grant a lease for land under the board's control for a period not more than five years longer than the term of the lease-purchase agreement; and

WHEREAS, Section 3313.375 further provides that the obligations of the board of education under such a lease-purchase agreement shall not be construed as net indebtedness of that school district pursuant to Section 133.06 of the Revised Code; and

WHEREAS, this Board has determined to provide for the construction and other improvement, furnishing and equipping, and the lease and eventual acquisition, of classroom facilities improvements to Crestview High School; and

WHEREAS, in order to provide for the classroom facilities improvements to Crestview High School, it will be necessary for this Board to enter into a ground lease, lease-purchase agreement and other agreements in order to finance the cost of the above-referenced improvements, all in accordance with the laws of the State of Ohio, including, but not limited to, Section 3313.375 of the Revised Code;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Crestview Local School District, County of Columbiana, Ohio, that:

Section 1. Definitions. In addition to the words and terms defined in the Facilities Lease, the following words and terms shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

“Assignee” means The Farmers National Bank of Canfield.

“Assignment” means the Assignment of Leases between the Corporation and the Assignee, assigning to the Assignee the Lessor's interests in the Ground Lease and the Facilities Lease.

“Base Rent” means the payments specified as Base Rent in the Facilities Lease.

“Board” means the Board of Education of the School District.

“Code” means the Internal Revenue Code of 1986, as amended, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of or successor provisions to the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code includes any applicable successor section or provision and applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that section.

“Corporation” means the Ohio School Building Leasing Corporation, an Ohio nonprofit corporation.

“Facilities Lease” means the Lease-Purchase Agreement between the Lessor, as lessor, and the Board, as lessee, conveying a leasehold interest in the Leased Property, and under which the Board shall lease the Leased Property for an initial term and renewal terms that are subject to renewal upon appropriations being made by the Board of funds sufficient to pay the Lease Payments due during each such term.

“Fiscal Officer” means the Treasurer of the Board.

“Ground Lease” means the Ground Lease between the Board, as lessor, and the Lessor, as lessee, conveying a leasehold interest in the Project Site.

“Lease Payments” means the Base Rent due during the initial term and each renewal term of the Facilities Lease.

“Leased Property” means, together, the Project Site and the Project Facilities.

“Lessor” means the Corporation and its successors and assigns as lessor under the Facilities Lease, including the Assignee.

“President” means the President of the Board.

“Project Costs” means the costs of the Project Facilities to be paid with Lease Proceeds as provided in the Facilities Lease.

“Project Facilities” means the improvements to be financed with Lease Proceeds as described in this Resolution and the Facilities Lease, together with any additions, modifications and substitutions thereto as permitted under the Facilities Lease.

“Project Site” means the real property upon which the Project Facilities are to be constructed or installed.

“School District” means Crestview Local School District, County of Columbiana, Ohio.

“Superintendent” means the Superintendent of the School District.

Section 2. Ground Lease and Facilities Lease. The President and the Fiscal Officer are each authorized to sign and deliver the Ground Lease and the Facilities Lease and to signify approval of the Assignment in substantially the forms as are now on file with this Board. The Ground Lease, the Facilities Lease and the Assignment are approved in substantially the forms as are now on file with this Board, together with any changes or amendments that are not inconsistent with this Resolution and are not substantially adverse to the School District that are approved by the officer or officers signing those documents on behalf of this Board, all of which shall be conclusively evidenced by the signing of the Ground Lease and the Facilities Lease or amendments thereto and the signifying of approval of the Assignment or amendments thereto by that officer or those officers. The Board’s obligation to pay Base Rent during each term of the Facilities Lease shall constitute a “public obligation” as defined in Section 133.01 of the Revised Code.

Section 3. Leased Property. This Board hereby determines that the Leased Property and the uses thereof as set forth in the preambles to this Resolution are essential to the School District including but not limited to its proper, efficient and economic operation and the welfare of its students.

Section 4. Determination of Lease Terms. The Fiscal Officer is hereby authorized to determine, having due regard for the best interest of and financial advantages to the School District: (i) the aggregate lease term for the Facilities Lease, the final renewal term for which shall end not more than 10 years after the commencement date of the Facilities Lease; (ii) the term for the Ground Lease, which shall be not more than five years longer than the aggregate lease term for the Facilities Lease; (iii) the Lease Payments, provided, that: (A) the aggregate Lease Payments payable in any fiscal year shall not exceed \$80,000, (B) the aggregate principal components of the Base Rent for the aggregate Lease Term of the Facilities Lease shall not exceed \$360,000, and (C) the aggregate interest components of the Base Rent for the aggregate lease term of the Facilities Lease, which shall not exceed 3.50% per year; and (iv) the prepayment terms for the Facilities Lease, if any.

Section 5. Other Instruments. The President or Vice President of this Board, the Superintendent and the Fiscal Officer are each hereby authorized to take any and all other actions and to sign and deliver any and all other instruments, agreements, certificates and documents as may in their judgment be necessary, desirable, advisable or appropriate in connection with the signing and delivery of the Ground Lease and the Facilities Lease in order to give effect to the transactions contemplated to be performed on the part of the School District under the Ground Lease and the Facilities Lease.

Section 6. Federal Tax Covenants. The Fiscal Officer, as the fiscal officer, or any other officer having responsibility for signing the Facilities Lease, is, alone or in conjunction with any of the foregoing or with any other officer or employee of the School District, authorized to cooperate with the Lessor and the Assignee by making, on behalf of the School District, such covenants and representations in the Facilities Lease as are appropriate and necessary so that (a) the Facilities Lease will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Code or (ii) be treated other than as obligations to which Section 103 of the Code applies, (b) the interest components of the Facilities Lease will not be treated as an item of tax preference under Section 57 of the Code, (c) the School District will take or cause to be taken such actions that may be required of it for the interest components of the Facilities Lease to be and to remain excluded from gross income for federal income tax purposes, (d) the School District will not take or authorize to be taken any actions that would adversely affect that exclusion, and (e) the School District, or persons acting for it, will, among other acts of compliance, (i) apply or cause the application of funds received by the School District in consideration of the Assignment to the governmental purpose of the Facilities Lease, (ii) restrict the yield on investment property acquired with that money, (iii) make timely and adequate payments to the federal government if required, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of that money, and, as applicable, of property financed with that money, all in such manner and to the extent necessary to assure such exclusion of the interest components under the Code.

The Fiscal Officer, as the fiscal officer, or any other officer of the School District having responsibility for signing of the Facilities Lease is hereby authorized (a) to make or effect any election, selection, designation (including designation of the aggregate of the principal components of the Base Rent payable during all Lease Terms under the Facilities Lease as “qualified tax-exempt obligations” if such designation is applicable and desirable), choice, consent, approval, or waiver on behalf of the School District with respect to the Facilities Lease as the School District is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Facilities Lease or the interest components thereof or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the interest components of the Facilities Lease, and (c) to give one or more appropriate certificates of the School District, for inclusion in the transcript for the Facilities Lease, setting forth the reasonable expectations of the School District regarding the amount and use of all the proceeds from the assignment of the Facilities Lease, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest component of and the tax status of the Facilities Lease

Section 7. Severability. Each Section of this Resolution and each part of each Section hereof is hereby declared to be independent, and the finding or holding of any Section or part of any Section hereof to be invalid or void shall not be deemed or held to affect the validity of any other Section or part of any Section of this Resolution.

Section 8. Prior Acts Ratified and Confirmed. Any actions previously taken by School District officials or agents of this Board in furtherance of the matters set forth in this Resolution are hereby approved, ratified and confirmed.

Section 9. Compliance with Open Meeting Requirements. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in such formal actions were held, in meetings open to the public, in compliance with the law.

Section 10. Captions and Headings. The captions and headings in this Resolution are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof.

Section 11. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

Moved by _____, second by _____. Vote yes: _____, _____, _____, _____, _____. Vote no: _____, _____, _____, _____. Absent: _____, _____. Motion carried _____. Failed _____.

2. Recommend: The Board award the contract for CHS Music Suite renovation to J. Herbert Construction Co., Inc. in the amount of \$286,100 as recommended by John A. Dilling, Superintendent.

Moved by _____, second by _____. Vote yes: _____, _____, _____, _____, _____. Vote no: _____, _____, _____, _____. Absent: _____, _____. Motion carried _____. Failed _____.

Adjournment

Moved by _____, second by _____ to adjourn. Vote yes: _____, _____, _____, _____, _____. Vote no: _____, _____, _____, _____. Absent: _____, _____. Motion carried _____. Failed _____.