

**STAFF SUMMARY AND RECOMMENDATION  
OCCIDENTAL COLLEGE**

**Amendment to Final Resolution Number 222  
March 30, 2005**

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**ORIGINAL AMOUNT APPROVED:** \$65,000,000      **ORIGINAL APPROVAL DATE:** Feb.24, 2005  
(See Exhibit A for Original Executive and Staff Summary)

**AMENDED ISSUE AMOUNT:** \$79,000,000

**EXPECTED RATING:** Aaa/VMIG1      **CREDIT ENHANCEMENT:** MBIA

**SENIOR UNDERWRITER:** Banc of America Securities LLC

**TYPE OF FACILITY:** Private University

**LOCATION:** Los Angeles, California, Los Angeles County

**AMENDED USE OF BOND PROCEEDS:** Bond proceeds will be used to acquire, construct, install and equip a residence hall, athletic facilities, administrative office building and to advance refund the Series 1997 bonds issued by the Authority in their entirety.

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**ISSUE:** Occidental College (“Occidental”) is requesting an Amendment to Resolution Number 222 authorizing the University to include the advance refunding of its 1997 bonds issued by the Authority in their entirety. This amendment would also increase the requested amount from \$65 million to \$79 million.

As of June 30, 2004, \$31.375 million remained outstanding on the 1997 bonds. The following is an estimate of the revised sources and uses to incorporate the effect of the refunding.

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
Par amount of bonds	<u>\$79,000,000</u>	Construction/renovations	\$36,168,273
	\$79,000,000	Advance Refunding	35,225,000
		Debt Service Reserve Fund	3,310,080
		Capitalized Interest	2,704,270
		Cost of Issuance	<u>1,592,377</u>
			\$79,000,000

**REASON FOR AMENDMENT:** At the time Occidental came last month it was unclear if they could refund all or just a portion of the Series 1997 bonds. Bond counsel, Orrick, Herrington & Sutcliffe have determined that the remaining portion of the Series 1997 bonds are eligible for advance refunding.

**FINANCIAL UPDATE:** Occidental is currently asking for an additional \$14 million dollars to bring the total financing to \$79 million. Since the additional \$14 million dollars is a refunding for the remaining 1997 bonds it will not negatively impact Occidental’s bottom line.

**RECOMMENDATION:** Staff recommends the Authority approve the Amendment to Resolution Number 222 in an amount not to exceed \$79,000,000 for Occidental, subject to all prior provisions and conditions to remain unchanged and in full effect.