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OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

APR 12 2017
The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20001

Dear Chairman Mendelson:

On behalf of the citizens of the District of Columbia (the "District"), I hereby request that you introduce, and that the Council of the District of Columbia (the "Council") vote to approve, the enclosed draft resolution titled, "Paul Public Charter School, Inc. Revenue Bonds Project Approval Resolution of 2017".

The Resolution authorizes the issuance, sale, and delivery of tax-exempt revenue bonds, notes or other obligations in aggregate principal amount not to exceed \$22,000,000.00, to finance or refinance all of the costs incurred Paul Public Charter School, ("Borrower"), in connection with renovations and construction for their school located at 5800 8th Street NW in Ward 4.

Paul PCS is an educational campus in NW, Washington DC educating students from the 6th grade through High School. Originally a DC Public School, Paul was converted into a charter school in 2000, becoming the first conversion public charter school in Washington, DC and the only DCPS to charter conversion at the time. Named after a pioneering DC educator, Edward Paul, and operating as a DC Public School since 1930, Paul has a strong tradition of academic excellence and community involvement.

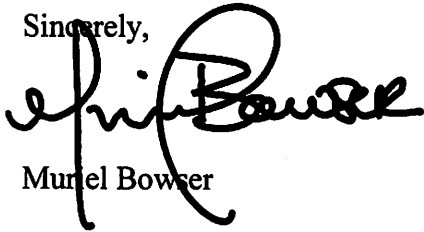
Paul Public Charter School's mission is to educate their students and develop in them the capacity to be responsible citizens, independent thinkers, and leaders. Paul PCS is located in Northwest Washington, DC, serving students from middle through high school. Paul PCS is the home of the "M.E.R.I.T. Scholars" (motivated, educated, responsible, independent thinker). Beginning in the middle grades, MERIT Scholars experience a rigorous academic curriculum, coupled with arts and athletic opportunities to develop a firm foundation to transition into the college preparatory program at Paul International High School.

In accordance with Section 490 of the Home Rule Act, we have determined that the bonds, when, as, and if issued, shall be without recourse to the District. The bonds shall not be general obligations of the District; shall not be a pledge of or involve the full faith and credit or the taxing power of the District; shall not constitute a debt of the District; and shall not constitute a lending of public credit

for private undertakings as prohibited in section 602(a) (2) of the Home Rule Act. The bonds shall not give rise to any pecuniary liability of the District and the District shall have no obligation with respect to the purchase of the bonds.


I find that the proposed financing will assist in furthering the efforts of Paul Public Charter in providing educational, cultural and employment opportunities to the citizens of the District of Columbia. I urge the Council to take prompt and favorable action on the measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written over the printed name.

Muriel Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To authorize and provide for the issuance, sale, and delivery in an aggregate principal amount not to exceed \$22 million of District of Columbia revenue bonds in one or more series and to authorize and provide for the loan of the proceeds of such bonds to assist Paul Public Charter School, Inc. in the financing, refinancing, or reimbursing of costs associated with an authorized project pursuant to section 490 of the District of Columbia Home Rule Act.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this resolution may be cited as the "Paul Public Charter School, Inc. Revenue Bonds Project Approval Resolution of 2017".

Sec. 2. Definitions.

For the purpose of this resolution, the term:

(1) "Authorized Delegate" means the Mayor or the Deputy Mayor for Planning and Economic Development, or any officer or employee of the Executive Office of the Mayor to whom the Mayor has delegated or to whom the foregoing individuals have subdelegated any of the Mayor's functions under this resolution pursuant to section 422(6) of the Home Rule Act.

(2) "Bond Counsel" means a firm or firms of attorneys designated as bond counsel from time to time by the Mayor.

1 (3) "Bonds" means the District of Columbia revenue bonds, notes, or other
2 obligations (including refunding bonds, notes, and other obligations), in one or more series,
3 authorized to be issued pursuant to this resolution.

4 (4) "Borrower" means the leasehold owner, operator, manager and user of the
5 assets financed, refinanced, or reimbursed with proceeds from the Bonds, which shall be Paul
6 Public Charter School, Inc., a corporation organized under the laws of the District of Columbia,
7 and exempt from federal income taxes under 26 U.S.C § 501(a) as an organization described in 26
8 U.S.C. § 501(c)(3).

9 (5) "Chairman" means the Chairman of the Council of the District of Columbia.

10 (6) "Closing Documents" means all documents and agreements other than
11 Financing Documents that may be necessary and appropriate to issue, sell, and deliver the Bonds
12 and to make the Loan contemplated thereby, and includes agreements, certificates, letters, opinions,
13 forms, receipts, and other similar instruments.

14 (7) "District" means the District of Columbia.

15 (8) "Financing Documents" means the documents other than Closing Documents
16 that relate to the financing or refinancing of transactions to be effected through the issuance, sale,
17 and delivery of the Bonds and the making of the Loan, including any offering document, and any
18 required supplements to any such documents.

19 (9) "Home Rule Act" means the District of Columbia Home Rule Act, approved
20 December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 et seq.).

21 (10) "Issuance Costs" means all fees, costs, charges, and expenses paid or incurred
22 in connection with the authorization, preparation, printing, issuance, sale, and delivery of the Bonds
23 and the making of the Loan, including, but not limited to, underwriting, legal, accounting, rating

1 agency, and all other fees, costs, charges, and expenses incurred in connection with the development
2 and implementation of the Financing Documents, the Closing Documents, and those other
3 documents necessary or appropriate in connection with the authorization, preparation, printing,
4 issuance, sale, marketing, and delivery of the Bonds and the making of the Loan contemplated
5 thereby, together with financing fees, costs, and expenses, including program fees and
6 administrative fees charged by the District, fees paid to financial institutions and insurance
7 companies, initial letter of credit fees (if any), compensation to financial advisors and other persons
8 (other than full-time employees of the District) and entities performing services on behalf of or as
9 agents for the District.

10 (11) "Loan" means the District's lending of proceeds from the sale, in one or more
11 series, of the Bonds to the Borrower.

12 (12) "Project" means the financing, refinancing or reimbursing of all or a portion of
13 the Borrower's costs of:

14 (A) Refinancing certain indebtedness of the Borrower incurred in
15 connection with (i) the renovation of approximately 132,000 square feet of academic and office
16 space located at 5800 8th Street, N.W., Washington, D.C. (also known as 5901 9th Street, N.W.,
17 Washington, D.C.) (Lot 0814, Square 2985) (the "Campus"), and (ii) the construction,
18 installation and equipping of approximately 29,600 square feet of additional academic and office
19 space located at the Campus;

20 (B) Financing the construction, installation and equipping of certain
21 additional educational facilities of the Borrower located at the Campus, including but not limited
22 to, the refurbishment of the Borrower's athletic fields and the addition of lighting thereto, and the

1 construction of exterior educational space of approximately 3,200 square feet or the construction
2 of a green roof of approximately 3,200 square feet;

3 (C) Funding a debt service reserve fund with respect to the Bonds; and

4 (D) Paying allowable Issuance Costs.

5 Sec. 3. Findings.

6 The Council finds that:

7 (1) Section 490 of the Home Rule Act provides that the Council may by resolution
8 authorize the issuance of District revenue bonds, notes, or other obligations (including refunding
9 bonds, notes, or other obligations) to borrow money to finance, refinance, or reimburse and to assist
10 in the financing, refinancing, or reimbursing of undertakings in certain areas designated in section
11 490 and may effect the financing, refinancing, or reimbursement by loans made directly or
12 indirectly to any individual or legal entity, by the purchase of any mortgage, note, or other security,
13 or by the purchase, lease, or sale of any property.

14 (2) The Borrower has requested the District to issue, sell, and deliver revenue
15 bonds, in one or more series, in an aggregate principal amount not to exceed \$22 million, and to
16 make the Loan for the purpose of financing, refinancing, or reimbursing costs of the Project.

17 (3) The Project is located in the District and will contribute to the health, education,
18 safety, or welfare of, or the creation or preservation of jobs for, residents of the District, or to
19 economic development of the District.

20 (4) The Project is an undertaking in the area of elementary, secondary and college
21 and university facilities within the meaning of section 490 of the Home Rule Act.

1 (5) The authorization, issuance, sale, and delivery of the Bonds and the Loan to the
2 Borrower are desirable, are in the public interest, will promote the purpose and intent of section 490
3 of the Home Rule Act, and will assist the Project.

4 Sec. 4. Bond authorization.

5 (a) The Mayor is authorized pursuant to the Home Rule Act and this resolution to assist in
6 financing, refinancing, or reimbursing the costs of the Project by:

7 (1) The issuance, sale, and delivery of the Bonds, in one or more series, in an
8 aggregate principal amount not to exceed \$22 million; and

9 (2) The making of the Loan.

10 (b) The Mayor is authorized to make the Loan to the Borrower for the purpose of financing,
11 refinancing, or reimbursing the costs of the Project and establishing any fund with respect to the
12 Bonds as required by the Financing Documents.

13 (c) The Mayor may charge a program fee to the Borrower, including, but not limited to, an
14 amount sufficient to cover costs and expenses incurred by the District in connection with the
15 issuance, sale, and delivery of each series of the Bonds, the District's participation in the monitoring
16 of the use of the Bond proceeds and compliance with any public benefit agreements with the
17 District, and maintaining official records of each bond transaction and assisting in the redemption,
18 repurchase, and remarketing of the Bonds.

1 Sec. 5. Bond details.

2 (a) The Mayor is authorized to take any action reasonably necessary or appropriate in
3 accordance with this resolution in connection with the preparation, execution, issuance, sale,
4 delivery, security for, and payment of the Bonds of each series, including, but not limited to,
5 determinations of:

6 (1) The final form, content, designation, and terms of the Bonds, including a
7 determination that the Bonds may be issued in certificated or book-entry form;

8 (2) The principal amount of the Bonds to be issued and denominations of the
9 Bonds;

10 (3) The rate or rates of interest or the method for determining the rate or rates of
11 interest on the Bonds;

12 (4) The date or dates of issuance, sale, and delivery of, and the payment of interest
13 on the Bonds, and the maturity date or dates of the Bonds;

14 (5) The terms under which the Bonds may be paid, optionally or mandatorily
15 redeemed, accelerated, tendered, called, or put for redemption, repurchase, or remarketing before
16 their respective stated maturities;

17 (6) Provisions for the registration, transfer, and exchange of the Bonds and the
18 replacement of mutilated, lost, stolen, or destroyed Bonds;

19 (7) The creation of any reserve fund, sinking fund, or other fund with respect to the
20 Bonds;

21 (8) The time and place of payment of the Bonds;

1 (9) Procedures for monitoring the use of the proceeds received from the sale of the
2 Bonds to ensure that the proceeds are properly applied to the Project and used to accomplish the
3 purposes of the Home Rule Act and this resolution;

4 (10) Actions necessary to qualify the Bonds under blue sky laws of any jurisdiction
5 where the Bonds are marketed; and

6 (11) The terms and types of credit enhancement under which the Bonds may be
7 secured.

8 (b) The Bonds shall contain a legend, which shall provide that the Bonds are special
9 obligations of the District, are without recourse to the District, are not a pledge of, and do not
10 involve the faith and credit or the taxing power of the District, do not constitute a debt of the District,
11 and do not constitute lending of the public credit for private undertakings as prohibited in section
12 602(a)(2) of the Home Rule Act.

13 (c) The Bonds shall be executed in the name of the District and on its behalf by the manual
14 or facsimile signature of the Mayor, and attested by the Secretary of the District of Columbia by the
15 Secretary of the District of Columbia's manual or facsimile signature. The Mayor's execution and
16 delivery of the Bonds shall constitute conclusive evidence of the Mayor's approval, on behalf of the
17 District, of the final form and content of the Bonds.

18 (d) The official seal of the District, or a facsimile of it, shall be impressed, printed, or
19 otherwise reproduced on the Bonds.

20 (e) The Bonds of any series may be issued in accordance with the terms of a trust instrument
21 to be entered into by the District and a trustee to be selected by the Borrower subject to the approval
22 of the Mayor, and may be subject to the terms of one or more agreements entered into by the Mayor
23 pursuant to section 490(a)(4) of the Home Rule Act.

1 (f) The Bonds may be issued at any time or from time to time in one or more issues and in
2 one or more series.

3 Sec. 6. Sale of the Bonds.

4 (a) The Bonds of any series may be sold at negotiated or competitive sale at, above, or
5 below par, to one or more persons or entities, and upon terms that the Mayor considers to be in the
6 best interest of the District.

7 (b) The Mayor or an Authorized Delegate may execute, in connection with each sale of the
8 Bonds, offering documents on behalf of the District, may deem final any such offering document on
9 behalf of the District for purposes of compliance with federal laws and regulations governing such
10 matters and may authorize the distribution of the documents in connection with the sale of the
11 Bonds.

12 (c) The Mayor is authorized to deliver the executed and sealed Bonds, on behalf of the
13 District, for authentication, and, after the Bonds have been authenticated, to deliver the Bonds to the
14 original purchasers of the Bonds upon payment of the purchase price.

15 (d) The Bonds shall not be issued until the Mayor receives an approving opinion from Bond
16 Counsel as to the validity of the Bonds of such series and, if the interest on the Bonds is expected to
17 be exempt from federal income taxation, the treatment of the interest on the Bonds for purposes of
18 federal income taxation.

19 Sec. 7. Payment and security.

20 (a) The principal of, premium, if any, and interest on, the Bonds shall be payable solely from
21 proceeds received from the sale of the Bonds, income realized from the temporary investment of
22 those proceeds, receipts and revenues realized by the District from the Loan, income realized from
23 the temporary investment of those receipts and revenues prior to payment to the Bond owners, other

1 moneys that, as provided in the Financing Documents, may be made available to the District for the
2 payment of the Bonds, and other sources of payment (other than from the District), all as provided
3 for in the Financing Documents.

4 (b) Payment of the Bonds shall be secured as provided in the Financing Documents and by
5 an assignment by the District for the benefit of the Bond owners of certain of its rights under the
6 Financing Documents and Closing Documents, including a security interest in certain collateral, if
7 any, to the trustee for the Bonds pursuant to the Financing Documents.

8 (c) The trustee is authorized to deposit, invest, and disburse the proceeds received from the
9 sale of the Bonds pursuant to the Financing Documents.

10 Sec. 8. Financing and Closing Documents.

11 (a) The Mayor is authorized to prescribe the final form and content of all Financing
12 Documents and all Closing Documents that may be necessary or appropriate to issue, sell, and
13 deliver the Bonds and to make the Loan to the Borrower.

14 (b) The Mayor is authorized to execute, in the name of the District and on its behalf, the
15 Financing Documents and any Closing Documents to which the District is a party by the Mayor's
16 manual or facsimile signature.

17 (c) If required, the official seal of the District, or a facsimile of it, shall be impressed, printed,
18 or otherwise reproduced on the Financing Documents and the Closing Documents to which the
19 District is a party.

20 (d) The Mayor's execution and delivery of the Financing Documents and the Closing
21 Documents to which the District is a party shall constitute conclusive evidence of the Mayor's
22 approval, on behalf of the District, of the final form and content of the executed Financing
23 Documents and the executed Closing Documents.

1 (e) The Mayor is authorized to deliver the executed and sealed Financing Documents and
2 Closing Documents, on behalf of the District, prior to or simultaneously with the issuance, sale, and
3 delivery of the Bonds, and to ensure the due performance of the obligations of the District contained
4 in the executed, sealed, and delivered Financing Documents and Closing Documents.

5 Sec. 9. Authorized delegation of authority.

6 To the extent permitted by District and federal laws, the Mayor may delegate to any
7 Authorized Delegate the performance of any function authorized to be performed by the Mayor
8 under this resolution.

9 Sec. 10. Limited liability.

10 (a) The Bonds shall be special obligations of the District. The Bonds shall be without
11 recourse to the District. The Bonds shall not be general obligations of the District, shall not be a
12 pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a
13 debt of the District, and shall not constitute lending of the public credit for private undertakings as
14 prohibited in section 602(a)(2) of the Home Rule Act.

15 (b) The Bonds shall not give rise to any pecuniary liability of the District and the District
16 shall have no obligation with respect to the purchase of the Bonds.

17 (c) Nothing contained in the Bonds, in the Financing Documents, or in the Closing
18 Documents shall create an obligation on the part of the District to make payments with respect to
19 the Bonds from sources other than those listed for that purpose in section 7.

20 (d) The District shall have no liability for the payment of any Issuance Costs or for any
21 transaction or event to be effected by the Financing Documents.

22 (e) All covenants, obligations, and agreements of the District contained in this resolution,
23 the Bonds, and the executed, sealed, and delivered Financing Documents and Closing Documents to

1 which the District is a party, shall be considered to be the covenants, obligations, and agreements of
2 the District to the fullest extent authorized by law, and each of those covenants, obligations, and
3 agreements shall be binding upon the District, subject to the limitations set forth in this resolution.

4 (f) No person, including, but not limited to, the Borrower and any Bond owner, shall have
5 any claims against the District or any of its elected or appointed officials, officers, employees, or
6 agents for monetary damages suffered as a result of the failure of the District or any of its elected or
7 appointed officials, officers, employees or agents to perform any covenant, undertaking, or
8 obligation under this resolution, the Bonds, the Financing Documents, or the Closing Documents,
9 nor as a result of the incorrectness of any representation in or omission from the Financing
10 Documents or the Closing Documents, unless the District or its elected or appointed officials,
11 officers, employees, or agents have acted in a willful and fraudulent manner.

12 **Sec. 11. District officials.**

13 (a) Except as otherwise provided in section 10(f), the elected or appointed officials, officers,
14 employees, or agents of the District shall not be liable personally for the payment of the Bonds or be
15 subject to any personal liability by reason of the issuance, sale or delivery of the Bonds, or for any
16 representations, warranties, covenants, obligations, or agreements of the District contained in this
17 resolution, the Bonds, the Financing Documents, or the Closing Documents.

18 (b) The signature, countersignature, facsimile signature, or facsimile countersignature of
19 any official appearing on the Bonds, the Financing Documents, or the Closing Documents shall
20 be valid and sufficient for all purposes notwithstanding the fact that the individual signatory
21 ceases to hold that office before delivery of the Bonds, the Financing Documents, or the Closing
22 Documents.

23 **Sec.12. Maintenance of documents.**

1 Copies of the specimen Bonds and of the final Financing Documents and Closing
2 Documents shall be filed in the Office of the Secretary of the District of Columbia.

3 Sec.13. Information reporting.

4 Within three (3) days after the Mayor's receipt of the transcript of proceedings relating to
5 the issuance of the Bonds, the Mayor shall transmit a copy of the transcript to the Secretary to the
6 Council.

7 Sec. 14. Disclaimer.

8 (a) The issuance of Bonds is in the discretion of the District. Nothing contained in this
9 resolution, the Bonds, the Financing Documents, or the Closing Documents shall be construed as
10 obligating the District to issue any Bonds for the benefit of the Borrower or to participate in or assist
11 the Borrower in any way with financing, refinancing, or reimbursing the costs of the Project. The
12 Borrower shall have no claims for damages or for any other legal or equitable relief against the
13 District, its elected or appointed officials, officers, employees, or agents as a consequence of any
14 failure to issue any Bonds for the benefit of the Borrower.

15 (b) The District reserves the right to issue the Bonds in the order or priority it determines in
16 its sole and absolute discretion. The District gives no assurance and makes no representations that
17 any portion of any limited amount of bonds or other obligations, the interest on which is excludable
18 from gross income for federal income tax purposes, will be reserved or will be available at the time
19 of the proposed issuance of the Bonds.

20 (c) The District, by adopting this resolution or by taking any other action in connection with
21 financing, refinancing, or reimbursing costs of the Project, does not provide any assurance that the
22 Project is viable or sound, that the Borrower is financially sound, or that amounts owing on the

1 Bonds or pursuant to the Loan will be paid. Neither the Borrower, any purchaser of the Bonds, nor
2 any other person shall rely upon the District with respect to these matters.

3 Sec. 15. Expiration.

4 If any Bonds are not issued, sold, and delivered to the original purchaser within three (3)
5 years of the date of this resolution, the authorization provided in this resolution with respect to the
6 issuance, sale, and delivery of the Bonds shall expire.

7 Sec. 16. Severability.

8 If any particular provision of this resolution, or the application thereof to any person or
9 circumstance is held invalid, the remainder of this resolution and the application of such provision
10 to other persons or circumstances shall not be affected thereby. If any action or inaction
11 contemplated under this resolution is determined to be contrary to the requirements of applicable
12 law, such action or inaction shall not be necessary for the purpose of issuing the Bonds, and the
13 validity of the Bonds shall not be adversely affected.

14 Sec. 17. Compliance with public approval requirement.

15 This approval shall constitute the approval of the Council as required in section 147(f) of the
16 Internal Revenue Code of 1986, as amended, and section 490(k) of the Home Rule Act, for the
17 Project to be financed, refinanced, or reimbursed with the proceeds of the Bonds. This resolution
18 approving the issuance of the Bonds for the Project has been adopted by the Council after a public
19 hearing held at least fourteen (14) days after publication of notice in a newspaper of general
20 circulation in the District.

21 Sec. 18. Transmittal.

22 The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to
23 the Mayor.

1 Sec. 19. Fiscal impact statement.

2 The Council adopts the fiscal impact statement in the committee report as the fiscal impact
3 statement required by section 602(c)(3) of the Home Rule Act.

4 Sec. 20. Effective date.

5 This resolution shall take effect immediately.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

ATTORNEY GENERAL
KARL A. RACINE

Commercial Division



MEMORANDUM

TO: William Liggins, Director
D.C. Revenue Bond-Enterprise Zone Program
Office of the Deputy Mayor for Planning
and Economic Development

FROM: Andrea R. Littlejohn *ARL*
Assistant Attorney General

DATE: March 30, 2017

SUBJECT: Legal Sufficiency Review: The Paul Public Charter School, Inc. Revenue Bonds
Project Approval Resolution of 2017

This responds to a request from your office to review for legal sufficiency the attached draft of the above-referenced proposed resolution. For purposes of this review, this Office premises its conclusion on the assumption that your office has determined that the Borrower as defined in the aforementioned resolution is a "qualified applicant" within the meaning of Section 490 of the District of Columbia Home Rule Act.

A review of the attached draft of the above-referenced proposed resolution indicates that the draft proposed resolution conforms with the Model Revenue Bond Resolution jointly drafted and determined to be legally sufficient by the General Counsel of the Council, the Office of the Attorney General, and the District's bond counsel. Accordingly, we find the attached draft of the above-referenced proposed resolution legally sufficient.

Please contact me at 724-7761 if you have further questions or concerns.

Attachment: The Paul Public Charter, Inc. Revenue Bonds Project Approval Resolution of
2017

ARL/arl

Paul PCS Revenue Bond Project

FACT SHEET

Paul Public Charter School (Paul) has requested that the District issue up to \$22,000,000 in tax-exempt bonds to refinance the construction and renovations to their existing school building. The school also plans to add 26,000 sq. feet of space to accommodate the inclusion of a High school division along with the existing Middle school campus located at 5800 8th Street NW, Washington DC, in ward 4.

The Applicant

Paul PCS is an educational campus in NW, Washington DC educating students from the 6th grade through High School. Originally a DC Public School, Paul was converted into a charter school in 2000, becoming the first conversion public charter school in Washington, DC and the only DCPS to charter conversion at the time. Named after a pioneering DC educator, Edward Paul, and operating as a DC Public School since 1930, Paul has a strong tradition of academic excellence and community involvement.

Proposed Project

This project will consist of tax-exempt Bonds being used for the renovation and expansion to existing property located at 5800 8th Street in NW. Paul PCS plans to expand its existing facility to accommodate its middle school and make room for the inclusion of a High School division. The project will also consist of financing the construction of a 26,000 sq. ft. building addition and the purchase of furnishings and equipping this school facility.

Financing Plan

A summary of the proposed sources and uses of funds is attached (see Table 1).

Feasibility/Structure/Security of the Bonds

Paul PCS is still in the process of selecting a bank to partner with on this transaction. The Bonds will not be a general obligation of the District and will not be a pledge of or involve the faith and credit or the taxing power of the District.

Public Purpose Benefits

Paul Public Charter School's mission is to educate their students and develop in them the capacity to be responsible citizens, independent thinkers, and leaders. Paul PCS is located in Northwest Washington, DC, serving students from middle through high school. Paul PCS is the home of the "M.E.R.I.T. Scholars" (motivated, educated, responsible, independent thinker). Beginning in the middle grades, MERIT Scholars experience a rigorous academic curriculum, coupled with arts and athletic opportunities to develop a firm foundation to transition into the college preparatory program at Paul International High School.

Paul PCS provides a structured, yet nurturing environment for its students. With an extensive character education model, individualized course placement, and an array of support services, coupled with a myriad of after school activities and clubs, it allows students to explore hobbies and other interests. Paul PCS has high expectations and believes that success in the middle and high school years is realized by providing a rigorous academic program, a deliberate exposure to the arts and athletics, and an emphasis on character development and leadership.

Tax Revenue

Paul PCS currently has One hundred and five employees in the District. Of these 105 employees, 43 of them are District residents with full time positions. DC Prep's Unemployment taxes total \$41,780.00 and in Income taxes they total \$99,536.00

Upon completion of the project the school will approximately have 140 employees, 60 of which will be district residents with full-time positions. Unemployment taxes estimate to be \$70,734.00 and in Income taxes the estimated total is \$129,396.00.

3 Years after project completion employment is estimated to stay constant. The increase in employment came the first year due to construction and building expansions.

Employment

Paul will finalize a First Source Employment Agreement with the Department of Employment Services. Under the terms of the agreement, the association agrees to make a good faith effort to make 51% of its new hires to be District residents.

Contracting Opportunities

Paul will enter into a CBE agreement with the Department of Local Business Development to contract approximately 35 percent of the face amount of Bond proceeds to Certified Local, Small and Disadvantaged Business Enterprises.

Legal and Regulatory Affairs

The law offices of Ballard Spahr LLP, bond counsel to the Industrial Revenue Bond Program, has preliminarily determined that the applicant is a 501(c)(3) and this project constitutes a permissible undertaking in the area of education under Section 490(a)(1) of the District of Columbia Home Rule Act.

The Office of Local Business Development, Office of Planning, Office of Tax and Revenue, the Department of Employment Services, and Office of Regulatory Affairs have all recommended approval, or are in the process of approving this applicant's project.

Based on the foregoing, we have determined that the proposed project complies with criteria for approval of a proposed financing through the District's Revenue Bond Program, and that the proposed project will promote industry, trade and commerce, enhance employment opportunities and contribute to community betterment.

FINANCING PLAN

1. Estimated sources and uses of project funds:

	Total Cost	Tax-Exempt Bond Proceeds	Taxable Loan	Equity	Econ- Life
Land Acquisition	\$	\$			
Acquisition of building	\$	\$			
Other Fees Capitalized with Land/Bldg Acquisition	\$	\$			
New Constr./ Build Add	\$	\$			
Refunding/ Refinancing	\$18,400,000	\$18,400,000			
Machinery and equipment	\$	\$			
Building Renovations	\$	\$			
Development consultant					
Architectural/ Engineering					
Other Site Improvements	\$1,250,000	\$1,250,000			
Other fees capitalized w/ land & bldg acquisitions					
Costs of Issuance:					
Program Fee	\$55,000	\$55,000			
Borrowers Counsel Fee	\$143,000	\$74,800			
Bond Counsel Fees	\$50,000	\$25,000			
Underwriter/ Placement Fee	\$330,000	\$330,000			
Other Counsel's fee	\$100,000				
Trustee's Fee	\$10,500	\$10,500			
Up-front fee for LOC/Bond Insurance					
Other Issuance Costs	\$111,800				
Contingency					
SUBTOTAL:					
Net Capitalized Interest					
Debt Service Reserve Fund	\$395,000	\$395,000			
Contingency	\$479,700	\$479,000			
TOTALS:	\$22,325,000	\$22,000,000			