

**DESERT COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES**

**Meeting Date: 4/17/2014**

**ITEM #: 3**

**AREA:** Administrative Services

- |   |
|---|
| <input type="checkbox"/> <b>CONSENT</b>           |
| <input checked="" type="checkbox"/> <b>ACTION</b> |
| <input type="checkbox"/> <b>INFORMATION</b>       |

**TITLE: PUBLIC HEARING REGARDING PROSPECTIVE  
LEASE OF DISTRICT PROPERTY**

---

**BACKGROUND:**

The District is proposing to enter into a New Markets Tax Credit (“NMTC”) financing transaction in order to raise additional funding for the District related to the construction and completion of the Eastern Valley Campus in Indio. The laws and regulations governing the NMTC transaction require that the District, among other activities, (1) lease the Eastern Valley Campus to a private corporation (which in the proposed transaction is a nonprofit public benefit corporation, the “Facilities Corporation”), and (2) lease back the Eastern Valley Campus from the Facilities Corporation. These waivers are required by law, Education Code 81365 *et seq.* and 81360 *et seq.*, and cannot be waived except by the Board of Governors.

The District requires a waiver of the above-cited code sections because the District is proposing to lease the Eastern Valley Campus to the Facilities Corporation without a sealed bid process, and to lease real property which is needed for classroom space. At the closing of the NMTC financing transaction, the District will lease the property to a related nonprofit-entity which will ensure that all lease payments are used for the benefit of the District; then the District will lease back the property and will use the property for classroom space (as well as ground floor retail). Accordingly, the public is not invited to bid or otherwise participate in this transaction. The District is seeking these waivers in order to comply with the technical requirements of Education Code 81365 *et seq.* and 81360 *et seq.*

The public is invited to attend the public hearing and comment on the proposed action during the public hearing.

**FISCAL IMPLICATIONS:**

There will be a substantial economic benefit to the District from the New Markets Tax Credit financing. There is no cost to the District.

**RECOMMENDATION:**

Board of Trustees holds a public hearing prior to approving a waiver of the requirements relating to the lease of community college property commonly known as the Eastern Valley Campus and located at 45-524 Oasis Street, Indio, CA, required for classroom buildings as set forth in the Education code 81360 *et seq.* and a waiver of the requirements relating to the lease of community college buildings and property as set forth in the Education Code 81365 *et seq.*

<b>Administrator Initiating Item:</b> <b>Lisa Howell</b>	<b>Cabinet Review &amp; Approval: 4/7/2014</b> <b>Chair &amp; Vice Chair Review: 4/9/2014</b>
---	--