

## AGENDA



Thursday, December 10, 2009

**Treasury Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 39**

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**Subject:** Approve a resolution expressing the City's consent, as required by Internal Revenue Code Section 147(f), to Wallis Cultural Education Facilities Finance Corporation's loan to the Young Men's Christian Association of Austin in an amount not to exceed \$7,500,000 for the improvement, expansion and renovation of the YMCA facility at 1100 W. Cesar Chavez, Austin and the YMCA facility at 6219 Oakclaire Dr., Austin.

**For More Information:** Art Alfaro, Treasurer, Finance and Administrative Services 974-7882 or Leela Fireside, Law Department 974-2163

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The Wallis Cultural Education Facilities Finance Corporation intends to enter into a loan agreement in an aggregate amount not to exceed \$7,500,000 with Compass Bank and loan the proceeds of the loan to the Young Men's Christian Association of Austin (YMCA) in Austin, Texas. The loan will be used to finance the improvement, expansion and renovation of: (i) an approximately 64,000 square foot YMCA facility containing gymnasium, pool, and fitness facilities located at 1100 W. Cesar Chavez, Austin, Texas 78703 and; (ii) an approximately 30,000 square foot YMCA facility containing gymnasium, pool, and fitness facilities located at 6219 Oakclaire Dr., Austin, Texas 78735.

The Cultural Education Facilities Finance Corporation Act (Article 1528m, Vernon's Texas Civil Statutes) permits a nonprofit corporation to enter into transactions such as the one planned by the YMCA to finance or refinance cultural and community facilities. Because the facilities being financed for the Austin YMCA are located within the City of Austin, the Internal Revenue Code requires that the Mayor or the City Council approve the loan.

The City of Austin is not being asked for funds and in no way will the loan be considered a debt or liability to the City. The financing does not count against the City's bonding capacity. All the expenses and repayment liability for this financing are solely an obligation of the YMCA.