

AGENDA



Thursday, January 28, 2010

**Treasury Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 40**

Subject: Approve a resolution expressing the City's consent, as required by Internal Revenue Code Section 147(f), to Manvel Education Facilities Corporation's loan to Southwest Austin Catholic School dba St. Gabriel's Catholic School in an amount not to exceed \$7,100,000 to refinance the cost of facilities located at 2500 Wimberly Lane, Austin.

For More Information: Art Alfaro, Treasurer, Finance and Administrative Services 974-7882

The Manvel Education Facilities Corporation intends to enter a loan agreement in an aggregate amount not to exceed \$7,100,000 with The Frost National Bank and loan the proceeds to Southwest Austin Catholic School D/B/A St. Gabriel's Catholic School (St. Gabriel) in Austin, Texas. The loan will be used to refinance the cost of: (i) an approximate 45,248 square foot two story lower school education facility with classroom, cafeteria, science library and administrative offices; (ii) an approximate 18,500 square foot two story middle school education facility with classrooms, science lab and administrative offices; (iii) athletic facilities with football stadium, softball/baseball field, tennis courts and a playground and; (iv) related parking and other facilities located at 2500 Wimberly Lane, Austin.

The Cultural Education Facilities Finance Corporation Act (Article 1528m, Vernon's Texas Civil Statutes) permits a nonprofit corporation, acting on behalf of a city or a county, to sell bonds, make loans, or enter into leases to finance or refinance cultural and community facilities. Because the facilities being refinanced for St. Gabriel 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 St. Gabriel.