

A G E N D A



RCA	Austin City Council	Item ID	6302
Meeting Date:	4/28/2011	Department:	Treasury

Subject

Approve a resolution expressing the City's consent, as required by Internal Revenue Code Section 147(f), to Sanger Cultural Education Facilities Finance Corporation's loan to St. Andrew's Episcopal School in an amount not to exceed \$10,000,000 to (i) finance the construction and equipping of the Dell Fine Arts Center consisting of an approximately 36,000 square foot music building and a 6,1000 square foot art building, the remodeling of Founder's Hall and Dell Hall and refinancing indebtedness incurred to construct and equip school buildings totaling approximately 28,200 square feet on the Upper School campus at 5901 Southwest Parkway, Austin and (ii) finance the relocation of the playscape, the renovation of the small gym and parking improvements on the Lower School campus at 1112 West 31st Street, Austin.

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Art Alfaro, Treasurer, Finance and Administrative Services 974-7882
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Sanger Cultural Education Facilities Corporation intends to enter a loan agreement in an aggregate amount not to exceed \$10,000,000 with JPMorgan Chase Bank, N.A. and loan the proceeds to St. Andrew's Episcopal School in Austin, Texas. The loan will be used for: (i) financing the construction and equipping of the Dell Fine Arts Center consisting of an approximately 36,000 square foot performing arts center, 6,100 square foot music building and a 6,100 square foot art building and the remodeling of Founder's Hall and Dell Hall and refinancing indebtedness incurred to construct and equip school buildings totaling approximately 28,200 square feet on the Upper School campus located at 5901 Southwest Parkway, Austin and (ii) financing the relocation of the playscape, the renovation of the small gym and parking improvements on the Lower School campus located at 1112 West 31st Street, 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. Andrew's 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. Andrew's.