

A G E N D A



Recommendation for Council Action

Austin City Council

Item ID

17245

Agenda Number

52.

Meeting Date:

8/16/2012

Department:

Treasury

Subject

Approve a resolution expressing the City's consent, as required by Internal Revenue Code Section 147(f), to Newark Cultural Education Facilities Finance Corporation's loan to the Regents School of Austin, Inc. in an amount not to exceed \$14,000,000 to (i) finance costs of constructing and equipping an approximately 68,000 square foot high school, multi-purpose athletic field, campus floodplain corrections, parking lot improvements and related facilities located at 3230 Travis Country Circle, Austin; and (ii) pay certain expenses connected to the issuance of the loan.

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 Newark Cultural Education Facilities Finance Corporation intends to enter a loan agreement in an aggregate amount not to exceed \$14,000,000 with Compass Mortgage Corporation and loan the proceeds to the Regents School of Austin, Inc. The loan will be used to finance costs of constructing and equipping an approximately 68,000 square foot high school, multi-purpose athletic field, campus floodplain corrections, parking lot improvements located at 3230 Travis Country Circle, Austin; and (ii) pay certain expenses in connected with the issuance of the loan.

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 the Regents School 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 Regents School.