

AGENDA



Thursday, July 29, 2010

**Treasury Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 82**

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 Capitol Area Council, Inc. Boys Scouts of America in an amount not to exceed \$6,000,000 to finance the cost of an approximate 36,625 square foot two story community facility located at 12500 North IH 35, Austin, TX.

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 \$6,000,000 with The Frost National Bank and loan the proceeds to Capital Area Council, Inc. Boys Scouts of America in Austin, Texas. The loan will be used to finance the cost of: (i) an approximate 36,625 square foot two story community facility comprised of administrative and staff offices; (ii) and paying certain expenses in connection with the financing, located at 12500 North IH 35, Southbound Frontage Road, Austin, TX.

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 financed for Capital Area Council, Inc. Boys Scouts of America 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 Capital Area Council, Inc. Boy Scouts of America.