

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	58661	Agenda Number	11.
Meeting Date:	6/9/2016		Department:	Treasury
Subject				
<p>Approve a resolution expressing the City of Austin's consent, as required by Internal Revenue Code Section 147(f), to Red River Education Finance Corporation's issuance of bonds in a principal amount not to exceed \$80,000,000 to loan to St. Edward's University, Inc. to (i) finance the construction, renovation and equipment of educational and housing facilities located at the St. Edward's campus at 3001 South Congress Avenue, Austin, Texas; (ii) refund a portion of the San Leanna Educational Facilities Corporation Higher Education Revenue Bonds (Saint Edward's University Project), Series 2007, which were issued to finance or refinance educational and housing facilities at the campus; and (iii) pay certain expenses connected to the issuance of bonds.</p>				
Amount and Source of Funding				
None of the requirements of this issuance will be the responsibility of the City of Austin.				
Fiscal Note				
There is no fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:				
For More Information:	Art Alfaro, City Treasurer, 512-974-7882			
Council Committee, Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				

The Red River Education Facilities Corporation intends to issue tax-exempt revenue bonds in a principal amount not to exceed \$80,000,000 with the proceeds to St. Edward's University (St. Edward's) in Austin, Texas.

The City of Austin (City) is not being asked for funds and in no way will the bonds be considered a debt or liability of the City. Because St. Edward's is located within the City limits, the federal Internal Revenue Code requires that the City Council approve the bonds and the financed facilities. The City has handled this in the past by providing the City Council's approval by Council Resolution.

The Higher Education Facilities Corporation Act (Chapter 53, Texas Education Code) and the Higher Education Facility Authority for Private Schools Act (Chapter 53A, Texas Education Code) permit a nonprofit corporation, such as the Red River Education Finance Corporation, to sell bonds, make loans, or enter into leases to finance or refinance facilities for institutions of higher education and accredited primary and secondary schools, as well as certain charter schools. St. Edward's is an institution of higher education under Chapters 53 and 53A, Education Code.

The Red River Facilities Corporation was formed to assist in the financing of educational and housing facilities for the benefit of institutions of higher education, accredited primary and secondary schools, and certain charter schools, usually through the issuance of tax-exempt and taxable revenue bonds.

St. Edward's will use the proceeds to finance or refinance the construction of educational and housing facilities located at the St Edward's campus at 3001 South Congress Avenue, Austin, Texas 78704.