



## Legislation Text

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File #: 18-4968, Version: 1

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### Title:

**TEFRA Hearing - Alliance Preparatory Schools, Inc**

### Summary

#### ACTION:

(1) Open TEFRA public hearing and receive comments on the proposed financing by Alliance Preparatory Schools, Inc.

(2) Close public hearing and adopt resolution entitled:

**Resolution of the Board of Commissioners of the County of Mecklenburg, North Carolina, approving the issuance by the public finance authority of its educational revenue bonds (Steele Creek STEM Academy) Series 2018 in an aggregate principal amount not to exceed \$23,500,000.**

**Staff Contact:** Tyrone C. Wade, County Attorney

**Presentation:** No

#### **BACKGROUND/JUSTIFICATION:**

As more fully explained in the attached Resolution, Alliance Preparatory Schools, Inc., a North Carolina nonprofit corporation, or a North Carolina limited liability company, of which Alliance Preparatory Schools, Inc. is the sole member (the "Borrower") has requested that the Public Finance Authority, a public authority existing under the laws of the State of Wisconsin (the "Authority"), issue its Education Revenue Bonds (Steele Creek STEM Academy) Series 2018 (the "Bonds"), in an aggregate principal amount not to exceed \$23,500,000, and loan the proceeds thereof to the Borrower for the following purposes:

(a) financing or refinancing the acquisition, construction, improvement, and equipping of land and certain charter school facilities of the Borrower located at 5203 Shopton Road, Charlotte, North Carolina 28278 in the County of Mecklenburg, including but not limited to the acquisition of approximately 13.58 acres of unimproved land and the construction thereon of an approximately 64,900 square foot, two-story educational facility with approximately 49 classrooms, a gymnasium, a band room, administration areas, and offices, designed to

accommodate approximately 950 students in grades K-8 and to be operated as a public charter school known as Steele Creek STEM Academy (the “Project”);

(b) funding a debt service reserve fund for the Bonds

(c) funding capitalized interest on all or a portion of the Bonds; and

(d) paying all or a portion of the costs of issuance of the Bonds.

Alliance Preparatory Schools, Inc., is using the Wisconsin Public Finance Authority as the issuer of the Bonds because of a desire to have a 30-year maturity on the debt; the North Carolina Capital Facilities Finance Agency, which would be the North Carolina issuer, has a policy which prohibits a bond maturity greater than 20 years.

In order to comply with federal tax law, and the code and approval requirements, Alliance Preparatory Schools, Inc. has requested that the Mecklenburg County Board of Commissioners hold a public hearing and approve the Resolution. This approval will not make the County responsible in any way for the Bonds or the Project financed with bond proceeds. Hosting the public hearing and approving the issuance of the Bonds are merely ministerial acts that will enable the Borrower to comply with federal tax law requirements in order that interest on the Bonds be exempt from federal income tax.

**PROCUREMENT BACKGROUND:**

N/A

**POLICY IMPACT:**

N/A

**FISCAL IMPACT:**

N/A