



## Legislation Text

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File #: 19-5298, Version: 1

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### **Title:**

**TEFRA Hearing: Alliance Preparatory Schools, Inc. d/b/a Mallard Creek STEM Academy**

### **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 education revenue bonds (Mallard Creek STEM Academy) Series 2019 in an aggregate principal amount not to exceed \$28,000,000**

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

**Presentation:** No

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

As more fully explained in the attached Resolution, Alliance Preparatory Schools, Inc. d/b/a Mallard Creek STEM Academy (the "Lessee"), a North Carolina nonprofit corporation, 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 (Mallard Creek STEM Academy) Series 2019 (the "Bonds"), in an aggregate principal amount not to exceed \$28,000,000, and loan the proceeds thereof to Mallard Creek STEM Academy, LLC (the "Borrower") for the following purposes:

**(a) financing the acquisition of existing charter school facilities currently being leased by the Lessee located at 9142 Browne Road, Charlotte, North Carolina 28269, in the County of Mecklenburg, including but not limited to the acquisition of approximately 28.6 acres of land, a two-story building containing approximately 36,000 square feet, a gymnasium containing**

approximately 9,000 square feet, and a two-story building containing approximately 21,000 square feet from which the Lessee operates the public charter school known as Mallard Creek STEM Academy (the "Project");

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

(c) 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