



## Legislation Text

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File #: 19-5451, Version: 1

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### Title:

**TEFRA Hearing - Queen City STEM School Project**

### Summary

#### ACTION:

**(1) Open TEFRA public hearing and receive comments on the proposed financing of the Queen City STEM School Project.**

**(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 Charter School Revenue Bonds (Queen City STEM School Project) Series 2019 in an aggregate principal amount not to exceed \$8,000,000.**

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

**Presentation: No**

#### BACKGROUND/JUSTIFICATION:

As more fully explained in the attached Resolution, Charlotte Education Services, LLC, a North Carolina liability company (the "Borrower"), which is wholly owned by Charlotte Education Foundation d/b/a Queen City STEM School (the "Foundation") 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 Charter School Revenue Bonds (Queen City STEM School Project) Series 2019 (the "Bonds"), in an aggregate principal amount not to exceed \$8,000,000 and loan the proceeds thereof to the Borrower for the following purposes:

**(a) finance, refinance or reimburse the costs of acquisition of an approximately 5.74-acre site located at 9026 Mallard Creek Road, Charlotte, Mecklenburg County, North Carolina (which site will be owned by the Borrower and leased to the Foundation) and the two buildings located thereon, consisting of a 9,487 square foot building containing classrooms and a 20,280 square foot building containing a gymnasium, kitchen, classrooms and offices, at which the Foundation will operate a new campus of the Queen City STEM School (the "School") for grades 6-12 which will be referred to as the Queen City STEM School -**

Secondary, and renovate, equip and furnish the buildings at this campus (the cost of acquisition, renovation and equipping estimated not to exceed \$6,000,00),

(b) finance, refinance or reimburse the costs of renovations, capital improvements and equipment and furniture purchases at the Foundation's existing school campus located at 8701 Mallard Creek Road, Charlotte, Mecklenburg County, North Carolina (which is owned by the Borrower and leased to the Foundation) at which the Foundation operates the existing campus of the Queen City STEM School - Elementary for Kindergarten through 5<sup>th</sup> grade (estimated not to exceed \$500,000),

(c) fund related costs of the Project and certain reserve funds, and

(d) pay costs of issuance of the Bonds (collectively, the "Project").

Queen City STEM School 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, Queen City STEM School 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