



Legislation Text

File #: 19-5674, Version: 1

Title:

TEFRA Hearing: Mountain Island Day Community Charter School Project

Summary

ACTION:

(1) Open TEFRA public hearing and receive comments on the proposed financing of Mountain Island Day Community Charter 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 Education Revenue Bonds (Mountain Island Day Community Charter School) Series 2019 in an aggregate principal amount not to exceed \$24,000,000

Staff Contact: Tyrone C. Wade, County Attorney

Presentation: No

BACKGROUND/JUSTIFICATION:

As more fully explained in the attached Resolution, Mariner Foundation, a North Carolina nonprofit corporation (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 (Mountain Island Day Community Charter School) Series 2019 (the "Bonds"), in an aggregate principal amount not to exceed \$24,000,000 and loan the proceeds thereof to the Borrower for the following purposes:

(a) financing the acquisition, construction, renovation, improvement and equipping of certain land and charter educational facilities of Mountain Island Day Community Charter School (the "Lessee"), a North Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Code, and the Borrower to be leased to the Lessee for use as a charter school known as "Mountain Island Day Community Charter School" (the "School"), including the (i)

acquisition of approximately 0.66 acres of land located at 6231 Paw Creek Road, Charlotte, NC 28214, and (ii) acquisition of approximately 22.9 acres of land and a 46,000 square foot building located at 1209 Little Rock Road, Charlotte, NC 28214 from which the Lessee operates the School, and the construction thereon of a two-story, 56,000 square foot building, athletic fields and related equipment to be located thereon;

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

(c) paying capitalized interest on the Bonds during the construction period; and

(d) paying costs of issuance of the Bonds (collectively, the “Project”).

Mountain Island Day Community Charter 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, Mountain Island Day Community Charter 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