

## A G E N D A



## Recommendation for Council Action

Austin City Council		Item ID	69122	Agenda Number	6.
Meeting Date:	4/6/2017			Department:	Treasury
Subject					
Approve a resolution expressing the City of Austin’s approval, as required by Internal Revenue Code Section 147(f), to the New Hope Cultural Education Facilities Finance Corporation’s loan to The Travis Association for the Blind in an amount not to exceed \$20,000,000 to finance the cost of facilities located at 4500 South Pleasant Valley Road, Austin, Texas 78744.					
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, Treasurer - 512-974-7882 or Leela Fireside, Law Department 512-974-2163				
Council Committee, Boards and Commission Action:					
MBE / WBE:					
Related Items:					
Additional Backup Information					
<p>The New Hope Cultural Education Facilities Finance Corporation (the "Issuer") intends to enter a loan agreement in an aggregate amount not to exceed \$20,000,000 with BB&amp;T Community Holdings Co. (the "Bank") and The Travis Association for the Blind, a Texas nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Borrower"), pursuant to which the Bank will purchase one or more notes from the Issuer, the proceeds of which the Issuer will lend to the Borrower. The proceeds will be used to finance all or a portion of the costs incurred in connection with the development and construction of a warehouse and light manufacturing facility of approximately 450,000 square feet, including approximately 30,000 square feet of office space, on an approximately 28 acre site in the City of Austin, Texas, together with other property, functionally related and incidental or subordinate to the facility; site improvements, including surface parking and storm-water retention facilities, and certain expenditures associated with the facility, to the extent financeable, including, without limitation, costs of issuance, and required reserves, if any, all located at 4500 South Pleasant Valley Road, Austin, Texas 78744.</p> <p>The Cultural Education Facilities Finance Corporation Act (Article 1528m, Vernon’s Texas Civil Statutes, as amended) permits a nonprofit corporation to sell bonds or make loans to finance or refinance cultural and community facilities. Because the facilities being refinanced for the Borrower are located within the City of Austin, the Internal Revenue Code requires that the Mayor or the City Council approve the loan.</p> <p>The City of Austin is not being asked for funds and in no way will the loan be considered a debt or liability to the City. The financing does not count against the City’s bonding capacity. All the expenses and repayment liability for this financing are solely an obligation of The Travis Association for the Blind.</p>					