



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Legislation Text

File #: [19-0074], **Version:** 1

Call a Public Hearing to Facilitate the Issuance of Bonds by the Educational Foundation, Inc. for February 13, 2019.

Staff:

Ralph D. Karpinos, Town Attorney
Amy Oland, Interim Director

Department:

Town Attorney's Office
Business Management

Overview: The Educational Foundation, Inc., (the Foundation) a North Carolina nonprofit corporation better known as the Rams Club, is proposing to use The Public Finance Authority, a nationwide issuer of bonds, to finance athletic facilities projects on land owned by the University of North Carolina at Chapel Hill.

Both federal tax law and the statute under which the Authority was created require that tax-exempt bonds issued to finance these facilities be approved by the elected legislative body of the governmental unit that has jurisdiction over the area in which the facilities are located, after holding a public hearing.

The Foundation has sent a letter to the Town (attached) requesting the Town Council hold a public hearing and take the action required by law to allow its use of this financing opportunity.

According to the Foundation's letter, the Town will not have any liability for the payment of principal or interest on the bonds, and the bonds will not affect the Town's debt ratios or legal debt limit. The Town is not being asked to endorse the bonds or the projects or the creditworthiness of the Foundation.

The attached resolution would call the necessary public hearing for February 13, 2019.

The Foundation's representatives will provide additional information on this proposal at the hearing.

We have also asked the Town's own Bond Counsel to be available on February 13 to answer questions.

After the hearing, the Council will be asked to consider the resolution requested and prepared by the Foundation's counsel.



Recommendation(s):

That the Council adopt the attached resolution calling a public hearing for February 13, 2019 to receive information from the Educational Foundation, Inc., and others on a proposed financing opportunity for the Foundation.



Attachments:

- Resolution
- January 24, 2019 Letter on behalf of the Educational Foundation, Inc.

A RESOLUTION CALLING A PUBLIC HEARING TO FACILITATE THE ISSUANCE OF BONDS BY THE EDUCATIONAL FOUNDATION, INC. (2019-01-30/R-3)

WHEREAS, The Educational Foundation, Inc., a North Carolina nonprofit corporation has requested that the Town Council hold a public hearing to facilitate the Foundation's use of a borrowing opportunity through The Public Finance Authority.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council calls a public hearing for February 13, 2019 at 7 p.m. to allow the public to comment on the proposed financing and to consider a resolution which, if adopted by the Town Council, would approve the Foundation's proposed financing in principle but would not constitute an endorsement of the Bonds or the Projects or the creditworthiness of the Foundation.

This the 30th day of January, 2019.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council calls a public hearing for February 13, 2019, to receive information from the Educational Foundation, Inc., and others on a proposed financing opportunity for the Foundation.