



TOWN OF CHAPEL HILL

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

Legislation Text

File #: [19-0136], Version: 1

Open the Public Hearing and Consider Proposed Issuance of Educational Facilities Revenue Bonds by the Public Finance Authority to Benefit The Educational Foundation, Inc. or an Affiliate Thereof.

Staff:

Ralph D. Karpinos, Town Attorney
Carolyn Worsley, Legal Services Administrator
Amy Oland, Director

Department:

Town Attorney's Office

Business Management Department

Overview: On [January 30th <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3846537&GUID=8DA41D01-309E-4BC6-AE0F-1AFF55F0A8EB&Options=&Search=>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3846537&GUID=8DA41D01-309E-4BC6-AE0F-1AFF55F0A8EB&Options=&Search=>), the Council called for this evening's public hearing at the request of The Educational Foundation, Inc., (the Foundation) a North Carolina nonprofit corporation better known as the Rams Club, regarding the Foundation's proposal 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 published a Notice of Public Hearing (attached) in the *Durham Herald Sun* as required by law.

The proposal is described more fully in the attached documents, "Additional Information from The Educational Foundation, Inc. Regarding the Proposal" and "January 24, 2019 Letter on Behalf of The Educational Foundation, Inc." Representatives from the Foundation and its counsel, McGuireWoods LLP, will be present at the hearing to answer questions. Staff also has asked the Town's own Bond Counsel, Bob Jessup from the Sanford Holshouser Law Firm, to be available on February 13th to answer questions. After the hearing, the Council will be asked to consider the attached resolution prepared by the Foundation's counsel.










Recommendation:

That the Council open the Public Hearing, receive comments, close the Public Hearing, and adopt the resolution approving the issuance of not to exceed \$98,000,000 of Public Finance Authority Educational Facilities Revenue Bonds (The Educational Foundation, Inc.), series 2019 for the benefit of The Educational Foundation, Inc., or an affiliate thereof.

Fiscal Impact/Resources: According to the attached information from the Foundation, 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.

Council Goals:

<input type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input checked="" type="checkbox"/>		Grow Town and Gown Collaboration

-  **Attachments:**
- Resolution
 - Notice of Public Hearing
 - Additional Information from The Educational Foundation, Inc. Regarding the Proposal
 - January 24, 2019 Letter on Behalf of The Educational Foundation, Inc.

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

PRESENTER: Kristen Kirby, Attorney, McGuireWoods LLP, counsel for The Educational Foundation, Inc.

- Comments from the public
- Comments from the Mayor and Town Council
- Motion to adjourn the Public Hearing
- Motion to adopt the resolution approving the issuance of Public Finance Authority Educational Facilities Revenue Bonds

RECOMMENDATION: That the Council approve the issuance of not to exceed \$98,000,000 of Public Finance Authority Educational Facilities Revenue Bonds (The Educational Foundation, Inc.), series 2019 for the benefit of The Educational Foundation, Inc., or an affiliate thereof.