



## Travis County Commissioners Court Agenda Request

**Meeting Date:** June 11, 2013

**Prepared By/Phone Number:** Andrea Shields, Manager/854-9116

**Elected/Appointed Official/Dept. Head:** Leslie Browder, County Executive, Planning and Budget/854-9106

**Commissioners Court Sponsor:** Samuel T. Biscoe, County Judge

### **AGENDA LANGUAGE:**

Consider and take appropriate action on request to consider and approve findings and resolutions for adoption by Commissioners Court of Travis County, Texas related to issuance of the City of Sanger, Texas Cultural Education Facilities Finance Corporation revenue bonds for the benefit of St. Andrew's Episcopal School.

**BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:** See attached backup.

**STAFF RECOMMENDATIONS:** Staff recommends approval.

**ISSUES AND OPPORTUNITIES:** None.

**FISCAL IMPACT AND SOURCE OF FUNDING:** None.

**REQUIRED AUTHORIZATIONS:** Andrea Shields, Manager/854-9116; Leslie Browder, County Executive, Planning and Budget/854-9106

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to the County Judge's office, [agenda@co.travis.tx.us](mailto:agenda@co.travis.tx.us) by **Tuesdays at 5:00 p.m.** for the next week's meeting.

## Andrea Shields

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**From:** Sam Biscoe  
**Sent:** Tuesday, June 04, 2013 4:35 PM  
**To:** Andrea Shields  
**Subject:** RE: Approval of Travis County

Ms. Shields, let's put it on next week's agenda, June 11. Sam

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**From:** Andrea Shields  
**Sent:** Tuesday, June 04, 2013 4:04 PM  
**To:** Sam Biscoe  
**Subject:** FW: Approval of Travis County

Judge,  
I wanted to follow up on the email below. Please let me know your thoughts and when you might want this item on the agenda. Thank you.

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**From:** Andrea Shields  
**Sent:** Thursday, May 23, 2013 2:59 PM  
**To:** Sam Biscoe  
**Cc:** Cliff Blount; Karen Thigpen  
**Subject:** FW: Approval of Travis County

Judge Biscoe,

We received the below request from Hoang Vu with Andrews Kurth LLP. The bonds referenced in the attached materials are being issued by an entity in Sanger, Texas and because the facilities to be financed are located in Travis County, they have to obtain the approval of the highest elected official in Travis County. Under Federal Tax Law, you have the ability to sign the approval on your own; however, I know you typically prefer to have the full court approve these requests.

The TEFRA hearing for this issue was held on May 20 at the offices of Andrews Kurth and it is indicated that no one appeared to give comments. We were not informed of this request until May 20<sup>th</sup>, the same day as the public hearing, so unfortunately we did not have an opportunity to request that Travis County hold the hearing. Please note that this item is not being requested by the Travis County Corporations, nor are we involved in the bond issue. Andrews Kurth is merely requesting the approval I described above from the county.

Please let me know if you prefer to post this as an agenda item for court approval and what date you would prefer to take this up in court.

Please let me know if you have any questions or want to discuss further.

Thank you,  
Andrea

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**From:** Vu, Hoang [<mailto:HoangVu@andrewskurth.com>]  
**Sent:** Monday, May 20, 2013 11:59 AM  
**To:** Karen Thigpen

**Cc:** Herzog, Marilyn; Andrea Shields  
**Subject:** Approval of Travis County

Karen:

Hope you are well. Last November, you helped us obtain the County's approval, for federal tax purposes, of a tax-exempt deal for Goodwill Industries of Central Texas. We are working on a deal for St. Andrews Episcopal School in Austin and are respectfully requesting your help in obtaining the County's approval for this deal. Attached please find the following:

1. Certificate of Hearing Officer certifying that the hearing was held in the County and no one appeared to give comments.
2. Affidavit of publication
3. Draft Resolution of the County approving the deal.

In 2011, the School obtained a tax-exempt loan from JPMorgan Chase Bank and the parties now desire to amend that loan to term-out the principal and reset the interest rate. Under federal tax law, this is considered a new deal and requires that we go through the process of publishing notice of hearing, holding the hearing and obtaining the consent of the applicable governmental unit where the project is located. We'd like to obtain the County's approval at the next earlier opportunity. Please let me know if you have any questions or need anything else to start this process.

**Hoang Vu**  
Partner

**Andrews Kurth LLP**  
600 Travis, Suite 4200  
Houston, Texas 77002  
713.220.3879 Phone  
713.238.7129 Fax  
713.220.3933 Assistant Phone - Voni Welch  
[hoangvu@andrewskurth.com](mailto:hoangvu@andrewskurth.com)  
[vCard](#) | [Bio](#) | [andrewskurth.com](http://andrewskurth.com)

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## Andrea Shields

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**From:** Vu, Hoang <HoangVu@andrewskurth.com>  
**Sent:** Monday, May 20, 2013 11:59 AM  
**To:** Karen Thigpen  
**Cc:** Herzog, Marilyn; Andrea Shields  
**Subject:** Approval of Travis County  
**Attachments:** Affidavit of Publication - Austin American Statesman - St. Andrew's.pdf; Resolution of Travis County - St. Andrew\_s.doc; Hearing.pdf

Karen:

Hope you are well. Last November, you helped us obtain the County's approval, for federal tax purposes, of a tax-exempt deal for Goodwill Industries of Central Texas. We are working on a deal for St. Andrews Episcopal School in Austin and are respectfully requesting your help in obtaining the County's approval for this deal. Attached please find the following:

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**Hoang Vu**

Partner

**Andrews Kurth LLP**

600 Travis, Suite 4200

Houston, Texas 77002

713.220.3879 Phone

713.238.7129 Fax

713.220.3933 Assistant Phone - Voni Welch

[hoangvu@andrewskurth.com](mailto:hoangvu@andrewskurth.com)

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transaction(s) or matter(s), it should be construed as written to support the promoting or marketing of the transaction(s) or matter(s), and the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

## Andrea Shields

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**From:** Vu, Hoang <HoangVu@andrewskurth.com>  
**Sent:** Thursday, May 23, 2013 3:48 PM  
**To:** Andrea Shields  
**Cc:** Karen Thigpen  
**Subject:** RE: Approval of Travis County  
**Attachments:** Sanger.pdf

Andrea:

Thank you for helping with our request. Regarding the conduit issuer, the Sanger Cultural Corporation is the same type of entity as the Travis County Cultural Corporation and was created by the City of Sanger. Unfortunately, the Sanger Corporation has not been an issuer for any publicly-offered deals so there isn't an official statement or other offering document that would have disclosure about the Corporation. There are three board members. Honestly, there's not much to say about the Sanger Corporation. If it's any help, attached is an official statement for the City of Sanger for its last bond issuance. I also checked the City's audit and there is no mention of the Corporation in there.

Regarding using the Travis County Cultural Corporation, most of the deals that we work on require a conduit issuer that can designate the deal as a "qualified tax-exempt obligation" for federal tax purposes which means that the aggregate amount of tax-exempt debt issued by the issuer and the city or county that created the issuer cannot exceed \$10 million in a calendar year. As Travis County regularly issues more than \$10 million of tax-exempt debt each year, we would not be able to use any Travis County conduit issuers for such deals. However, should we have a future deal that exceeds \$10 million, we will certainly contact you to discuss the option of using the Travis County corporation. I know from the Goodwill transaction that you, Karen and the County are easy to work with.

Please let me know if you need any more information about the Sanger Corporation or if you have any questions.

**Hoang Vu**  
Partner

**Andrews Kurth LLP**  
600 Travis, Suite 4200  
Houston, Texas 77002  
713.220.3879 Phone  
713.238.7129 Fax  
713.220.3933 Assistant Phone - Voni Welch  
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[vCard](#) | [Bio](#) | [andrewskurth.com](http://andrewskurth.com)

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**From:** Andrea Shields [mailto:Andrea.Shields@co.travis.tx.us]  
**Sent:** Thursday, May 23, 2013 2:16 PM  
**To:** Vu, Hoang  
**Cc:** Karen Thigpen  
**Subject:** RE: Approval of Travis County

Hi Vu,

I have forwarded your request on to the County Judge to determine when we might be able to get this on the agenda for approval. Could you please provide some backup/additional information on the Sanger Cultural Education Facilities Finance Corporation? On the previous tax-exempt deal for Goodwill that you all requested County approval on, the Commissioners requested more information on the issuing body.

Further, I am not sure if you are aware, but Travis County also has a Cultural Education Facilities Finance Corporation. We issued the bonds for Wayside Charter School late last year and worked closely with Tom Sage at Andrews Kurth on that deal. We would be happy to discuss how we might be able to assist on any future deals.

Please let me know if you have any questions.

Thanks,

*Andrea Shields*

Manager  
Travis County Corporations  
700 Lavaca, Suite 1560  
Austin, Texas 78701

512.854.9116 office  
512.854.4210 fax

[andrea.shields@co.travis.tx.us](mailto:andrea.shields@co.travis.tx.us)

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**From:** Vu, Hoang [<mailto:HoangVu@andrewskurth.com>]  
**Sent:** Monday, May 20, 2013 11:59 AM  
**To:** Karen Thigpen  
**Cc:** Herzog, Marilyn; Andrea Shields  
**Subject:** Approval of Travis County

Karen:

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**Hoang Vu**  
Partner

**Andrews Kurth LLP**  
600 Travis, Suite 4200  
Houston, Texas 77002  
713.220.3879 Phone

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**CERTIFICATE OF PUBLIC HEARING**

I, the undersigned, hereby certify in connection with a transaction to be entered into by the Sanger Cultural Education Facilities Finance Corporation (the "*Corporation*"), St. Andrew's Episcopal School ("*Borrower*") and JPMorgan Chase Bank, N.A. (the "*Bank*") in the maximum amount of \$5,000,000 (the "*Financing*") for the benefit of Borrower, as follows:

1. I served as Hearing Officer for the Corporation for the purpose of (i) financing and/or refinancing the construction and equipping of the Dell Fine Arts Center consisting of an approximately 36,000 square foot performing arts center, 6,100 square foot music building and a 6,100 square foot art building and the remodeling of Founder's Hall and Dell Hall and refinancing indebtedness incurred to construct and equip school buildings totaling approximately 28,200 square feet on the Upper School campus located at 5901 Southwest Parkway, Austin, Texas 78735, and (ii) financing and/or refinancing the relocation of the playscape, the renovation of the small gym and parking improvements on the Lower School campus located at 1112 West 31st Street, Austin, Texas 78704. A portion of the proceeds of the Financing will be used to pay certain expenses in connection with the issuance of the Financing.

2. Such hearing was conducted on May 20, 2013, commencing at 8:30 a.m. in Founder's Hall at St. Andrew's Episcopal School, 5901 Southwest Parkway, Austin, Texas 78735, which building and office was open to the public for purposes of the hearing.

3. At the time for the commencement of the hearing, comments, either orally or in writing, were publicly requested on the Project and the Financing.

4. At the hearing,

- no persons presented comments orally or in writing.
- the comments summarized on the attached were made orally by the persons listed therein.
- the written comments attached hereto were presented.

5. No time limitations were imposed on any public comments.

IN WITNESS WHEREOF, I have hereunto set my hand this May 20, 2013.

  
Hearing Officer

**CERTIFICATE FOR RESOLUTION**

**THE STATE OF TEXAS §**

**COUNTY OF TRAVIS §**

We, the undersigned officers of the Travis County, Texas (the "*County*"), hereby certify as follows:

1. The Commissioners Court of the County convened in a regular meeting on June \_\_, 2013 (the "*Meeting*"), at the designated meeting place, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

Samuel T. Biscoe	County Judge
Ron Davis	Commissioner, Precinct 1
Bruce Todd	Commissioner, Precinct 2
Gerald Daugherty	Commissioner, Precinct 3
Margaret Gómez	Commissioner, Precinct 4

and all of said persons were present, except the following: \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

**RESOLUTION APPROVING A FINANCING BY THE SANGER CULTURAL EDUCATION FACILITIES FINANCE CORPORATION FOR THE BENEFIT OF ST. ANDREW'S EPISCOPAL SCHOOL AND RELATED MATTERS.**

(the "*Resolution*") was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Commissioners Court shown present above voted "Aye," except as provided below:

NAYS:

ABSTENTIONS:

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Commissioners Court's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of

said Commissioners Court as indicated therein; that each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the County Judge of the County has approved and hereby approves the aforesaid Resolution; that the County Judge and the County Clerk of the County have duly signed said Resolution; and that the County Judge and the County Clerk hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED June \_\_, 2013.

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County Clerk

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County Judge

(SEAL)

**RESOLUTION APPROVING A FINANCING BY THE SANGER CULTURAL EDUCATION FACILITIES FINANCE CORPORATION FOR THE BENEFIT OF ST. ANDREW'S EPISCOPAL SCHOOL AND RELATED MATTERS.**

**THE STATE OF TEXAS   §**  
**COUNTY OF TRAVIS    §**

WHEREAS, the Sanger Cultural Education Facilities Finance Corporation ("*Corporation*") created by the City of Sanger, Texas has adopted a resolution authorizing the proposed loans (the "*Loans*") in the maximum principal amount of \$5,000,000 among the Corporation, JPMORGAN CHASE BANK, N.A. (the "*Bank*") and ST. ANDREW'S EPISCOPAL SCHOOL (the "*Borrower*") as pursuant to Article 1528m, Vernon's Texas Civil Statutes, as amended (the "*Act*") for the purpose of (A) (i) financing and/or refinancing the construction and equipping of the Dell Fine Arts Center consisting of an approximately 36,000 square foot performing arts center, 6,100 square foot music building and a 6,100 square foot art building and the remodeling of Founder's Hall and Dell Hall and refinancing indebtedness incurred to construct and equip school buildings totaling approximately 28,200 square feet on the Upper School campus located at 5901 Southwest Parkway, Austin, Texas 78735, and (ii) financing and/or refinancing the relocation of the playscape, the renovation of the small gym and parking improvements on the Lower School campus located at 1112 West 31st Street, Austin, Texas 78704; and (B) paying certain expenses in connection with the issuance of the Loans and paying certain expenses in connection with the issuance of the Loans;

WHEREAS, section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*") requires that the issuance of any qualified 501(c)(3) obligations be approved by either the governing body of the County or the chief elected executive officer of the County after a public hearing following reasonable public notice;

WHEREAS, attached hereto as Exhibit A is a Notice of Public Hearing (the "*Public Notice*") which was published in a newspaper of general circulation in the County as required by section 147(f) of the Code which public hearing was conducted by the Corporation and no member of the public appeared at the hearing to express his or her views on the Project; and

**THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF TRAVIS COUNTY, TEXAS THAT:**

**Section 1.** The County hereby specifically approves the Loans and the Project solely for the purpose of satisfying the requirements of section 147(f) of the Code and for no other purpose and is not to be construed as an undertaking by the County. The Loans shall not constitute a liability, an indebtedness or obligation of the County nor shall any of the assets of the County be pledged to the payment of the Loans.

**Section 2.** This Resolution shall become effective immediately upon its passage.

## **EXHIBIT A**

### **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Sanger Cultural Education Facilities Finance Corporation (the "Corporation"), a nonprofit corporation created by the City of Sanger, Texas pursuant to Article 1528m, Vernon's Texas Civil Statutes, as amended, will hold a public hearing on May 20, 2013, commencing at 8:30 a.m., in Founder's Hall at St. Andrew's Episcopal School, 5901 Southwest Parkway, Austin, Texas 78735, to provide an opportunity for all interested persons to be heard with respect to a proposed loan from JPMorgan Chase Bank, N.A. (the "Bank") to the Corporation in the maximum amount of \$5,000,000 and the proposed loan from the Corporation to St. Andrew's Episcopal School (the "Borrower") in the same amount (collectively, the "Loans"); all pursuant to a Loan Agreement by and among the Corporation, the Bank and the Borrower.

The Loans are being made for the purposes of (i) financing and/or refinancing the construction and equipping of the Dell Fine Arts Center consisting of an approximately 36,000 square foot performing arts center, 6,100 square foot music building and a 6,100 square foot art building and the remodeling of Founder's Hall and Dell Hall and refinancing indebtedness incurred to construct and equip school buildings totaling approximately 28,200 square feet on the Upper School campus located at 5901 Southwest Parkway, Austin, Texas 78735, and (ii) financing and/or refinancing the relocation of the playscape, the renovation of the small gym and parking improvements on the Lower School campus located at 1112 West 31st Street, Austin, Texas 78704 (collectively, the "Project"). A portion of the proceeds of the Loans will be used to pay certain expenses in connection with the Loans. The Project will be owned by the Borrower. The Loans are not payable out of taxes and are secured by and payable solely from funds provided by the Borrower.

All interested persons are invited to attend the hearing to express their views, both orally and in writing, with respect to the Loans and the Projects. Any interested persons unable to attend the hearing may submit their views in writing to the President of the Corporation, c/o Andrews Kurth LLP, Attn: Hoang Vu, 600 Travis Street, Suite 4200, Houston, Texas 77002, prior to the date scheduled for the hearing.

**SANGER CULTURAL EDUCATION FACILITIES FINANCE CORPORATION**

# Austin American-Statesman

PO#:

Ad ID#: 5652769

Acct#: 7132204265

Account Name: ANDREWS KURTH LLP

ANDREWS KURTH LLP  
600 TRAVIS, SUITE 4200  
ATTN: MARILYN HERZOG  
HOUSTON, TX 77002

## AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS  
COUNTY OF TRAVIS

Before me, the undersigned authority, a Notary Public in and for the County of Travis,  
State of Texas, on this day personally appeared:

Cathy Klum

Advertising Agent of the Austin American-Statesman, a daily newspaper published in said  
County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson,  
Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays,  
Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington, and Williamson  
Counties, who being duly sworn by me, states that the attached advertisement was published  
at the lowest published rate for Classified advertising in said newspaper on the following  
date(s), to wit:

First Published: 5/3/2013

Last Published: 5/3/2013

Times Published: 1

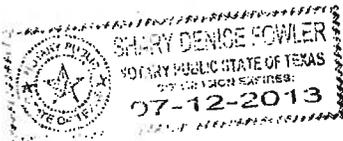
Classification: Legal Notices (9980)

Lines: 64

Cost: \$700.16

and that the attached is a true copy of said advertisement.

SWORN AND SUBSCRIBED TO BEFORE ME, this the 3 day of May, 2013



Sherry Denise Fowler  
Notary Public in and for  
TRAVIS COUNTY, TEXAS

Austin American-Statesman  
305 South Congress Ave., P.O. Box 670, Austin, Texas 78767-0670 512-445-3832

Friday, May 3, 2013 8:46 AM

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Sanger Cultural Education Facilities Finance Corporation (the "Corporation"), a nonprofit corporation created by the City of Sanger, Texas pursuant to Article 1528m, Vernon's Texas Civil Statutes, as amended, will hold a public hearing on May 20, 2013, commencing at 8:30 a.m., in Founder's Hall at St. Andrew's Episcopal School, 5901 Southwest Parkway, Austin, Texas 78735, to provide an opportunity for all interested persons to be heard with respect to a proposed loan from JPMorgan Chase Bank, N.A. (the "Bank") to the Corporation in the maximum amount of \$5,000,000 and the proposed loan from the Corporation to St. Andrew's Episcopal School (the "Borrower") in the same amount (collectively, the "Loans"); all pursuant to a Loan Agreement by and among the Corporation, the Bank and the Borrower. The Loans are being made for the purposes of (i) financing and/or refinancing the construction and equipping of the Dell Fine Arts Center consisting of an approximately 36,000 square foot performing arts center, 6,100 square foot music building and a 6,100 square foot art building and the remodeling of Founder's Hall and Dell Hall and refinancing indebtedness incurred to construct and equip school buildings totaling approximately 28,200 square feet on the Upper School campus located at 5901 Southwest Parkway, Austin, Texas 78735, and (ii) financing and/or refinancing the relocation of the playscape, the renovation of the small gym and parking improvements on the Lower School campus located at 1112 West 31st Street, Austin, Texas 78704 (collectively, the "Project"). A portion of the proceeds of the Loans will be used to pay certain expenses in connection with the Loans. The Project will be owned by the Borrower. The Loans are not payable out of taxes and are secured by and payable solely from funds provided by the Borrower.

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