



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Legislation Text

File #: 2272, Version: 1

Subject:

Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing and Resolution approving the issuance of Capital Trust Agency Educational Facilities Revenue Bonds (Pineapple Cove Classical Academy at West Melbourne, Inc. Project), Series 2020 (the "Bonds")

Fiscal Impact:

None

Dept/Office:

County Attorney's Office on behalf of Capital Trust Agency

Requested Action:

The Capital Trust Agency (CTA) is requesting that the Board hold a public hearing on the proposed Bonds and adopt a Resolution approving the Bonds for TEFRA purposes and for the ability of the CTA to issue the Bonds in a principal amount not exceeding \$36,000,000, which proceeds CTA will loan to Pineapple Cove Classical Academy at West Melbourne, Inc., a Florida not for profit corporation (the "Borrower"), to refinance all or a portion of the remaining amount of the outstanding bonds herein described and to finance and refinance the construction, installation, improvement and equipping of an expansion to an existing charter school facility herein described; and authorize the Chair to execute the Resolution.

Summary Explanation and Background:

The County has been approached by the firm of Bryant Miller Olive, which Firm is serving as Bond Counsel with respect to the Bonds. The Bonds will be issued by the Capital Trust Agency (the "Agency"). The primary purpose of the Bonds is to (i) refinance all of the remaining amount outstanding of the Agency's Educational Facilities Revenue Bonds (Pineapple Cove Classical Academy at West Melbourne, Inc. Project), Series 2018A and Taxable Series 2018B, the proceeds of which were applied to finance and refinance, including through reimbursement, the construction, installation, improvement and equipping of an approximately 57,750 square foot charter school facility to accommodate approximately 800 students at full occupancy, including related facilities, fixtures, furnishings and equipment, known as Pineapple Cove Classical Academy at West Melbourne, located at 3455 Norfolk Parkway, West Melbourne, Florida 32904 (the "Existing Site"), if deemed necessary or desirable by the Borrower; (ii) finance, including through reimbursement, the construction, installation, improvement and equipping of an expansion to be located on the Existing Site, comprised of a new approximately 24,000 square foot building accommodating approximately 300 students in grades K-8 with the ability to accommodate grades K-12, including 15 additional classrooms, a new approximately 16,000 square foot gymnasium, athletic fields and additional parking, including related facilities, fixtures, furnishings and equipment, and, if deemed necessary or desirable by the Borrower, the expansion of an existing roadway located on the Existing Site (together with the Existing Facility, the "Facility"); (iii) fund a debt service reserve fund for the Bonds, if deemed necessary or desirable by the Borrower; (iv) fund capitalized interest for the

Bonds, if deemed necessary or desirable by the Borrower; and (v) pay certain costs of issuing the Bonds.

The only involvement of the County in this process is to hold a TEFRA Hearing pursuant to Section 147(f) of the Internal Revenue Code (the "Code") and to approve, for purposes of Section 147(f) of the Code and intergovernmental cooperation, the issuance of the Bonds by the Agency to finance a project located in Brevard County (the County will not be the issuer of the Bonds).

In accordance with Section 5 of the Resolution, the County will have absolutely no liability with respect to the Project or to pay principal of or interest on the Bonds and the issuance of the Bonds will not result in any obligation of the County, financial or otherwise. The Bonds will be limited obligations of the Agency, payable solely from the revenue derived from the Borrower and pledged to the payment of the Bonds.

The County's financial advisor has reviewed the project and anticipates the funding will be within the County's debt issuance guidelines if it remains at proposed levels. (See attachment).

The Board's approval of the issuance of the Bonds by the Authority to finance costs of the Project is required by applicable federal tax law.

The County's outside bond counsel has reviewed the project and stated the following: "The Resolution proposed to be adopted by the BOCC satisfies the pertinent federal and state law requirements and provides that neither the County nor any of the elected officials or staff of the County will have any obligation or liability, financial or otherwise, with respect to the Project or the Bonds." (See attachment.)

A representative of Bryant, Miller and Olive will be available for questions at the meeting.

Clerk to the Board Instructions:

Return a signed Resolution to the County Attorney's Office