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EL PASO BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Date: Tuesday, July 23, 2019 Item No. 7.e.

To: Board of County Commissioners

From: Crystal LaTier, Executive Director - Economic Development Department/

Agenda Wording: Report on public hearing with respect to proposed Arizona industrial development authority charter school revenue bonds / public approval certificate.

SUMMARY (including information on budgeted matters)

The purpose of this approval certificate is to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), in order to qualify the interest on the "Arizona Industrial Development Authority Charter School Revenue Bonds Series 2019" in one or more series of tax-exempt bonds and the aggregate principal amount not to exceed \$27,000,000 (the "Bonds") for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Code.

BACKGROUND (including information on budgeted matters)

El Paso County has been informed that the Bonds are expected to be part of a larger issuance of bonds for the benefit of multiple charter schools in multiple states, all issued pursuant to Title 35, Chapter 5, Article 2 of the Arizona Revised Statutes, as amended, by the Arizona Industrial Development Authority, a nonprofit corporation designated as a political subdivision of the State of Arizona ("AZIDA"), incorporated with the approval of the Arizona Finance Authority pursuant to the provisions of the Constitution and laws of the State of Arizona, including the Industrial Development Financing Act, Title 35, Chapter 5, Articles 1 through 5, Arizona Revised Statutes, as amended (Sections 35-701 through 35-761, inclusive). The proceeds from the sale of the larger issuance of bonds will be loaned to Equitable Facilities Fund, Inc., a Delaware nonstock corporation described in Section 501(c)(3) of the Code ("EFF"), or Equitable School Revolving Fund, LLC, a Delaware limited liability company affiliate of EFF that is disregarded for federal tax purposes (together with EFF, the "Lender"). The proceeds from the sale of the Bonds will finance or refinance a loan by the Lender to James Irwin Educational Foundation ("Foundation"). Foundation is a duly organized and validly existing Colorado nonprofit corporation described in Section 501(c)(3) of the Code. The loan to be made by the Lender will

(a) refund the Colorado Educational and Cultural Facilities Authority Charter School Revenue Notes (James Irwin Educational Foundation Project) Series 2015 (\$24,600,000) (the "Series 2015 Notes") and the Colorado Educational and Cultural Facilities Authority Charter School Revenue Notes (James Irwin Educational Foundation Project) Series 2016 (\$3,000,000) (the "Series 2016 Notes"), proceeds of which were loaned to Foundation to, in addition to other purposes, (i) finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of the charter school educational facilities, currently leased by Foundation and operated by James Irwin Charter Schools, a duly organized and validly existing Colorado nonprofit corporation described in Section 501(c)(3) of the Code ("James Irwin Schools"), known as (1) Power Technical Early College ("PTEC") campus, located at 2525 Canada Drive, Colorado Springs, CO 80922 (\$3,000,000) and (2) James Irwin Charter Academy ("JICA") campus, located at 1801 N. Howard Ave, Colorado Springs, CO 80909 (\$2,100,000); (ii) refund the Colorado Educational and Cultural Facilities Authority Charter School Revenue and Refunding Improvement Bonds (James Irwin Educational Foundation Project) Series 2007 (the "Series 2007 Bonds"). Proceeds of the Series 2007 Bonds were loaned to Foundation to, in addition to other purposes, (i) finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of the charter school educational facilities, currently leased by Foundation and operated by James Irwin School, known as James Irwin Charter Elementary School ("JICES") campus and James Irwin Charter Middle School ("JICMS") campus, jointly located at 5525 Astrozon Blvd, Colorado Springs, CO 80916 (\$10,400,000); (ii) refund the Colorado Educational and Cultural Facilities Authority Variable Rate Charter School Revenue Bonds (James Irwin Educational Foundation Project) Series 2004 (the "Series 2004 Bonds"). Proceeds of the Series 2004 Bonds were loaned to Foundation to, in addition to other purposes, finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of the charter school educational facility, currently leased by Foundation and operated by James Irwin School, known as James Irwin Charter High School ("JICHS") campus, located at 5525 Astrozon Blvd, Colorado Springs, CO 80916 (\$10,000,000). All of the facilities refinanced with proceeds of the Series 2015 Notes and Series 2016 Notes shall be referred to herein in the aggregate as the "Project.". The Project will initially be owned by Foundation and operated by James Irwin Schools. After completion of the Project, (a) PTEC is expected to continue to serve approximately 270 students in grades 6-12, (2) JICA is expected to continue to serve approximately 330 students in grades K-5, (3) JICES is expected to continue to serve approximately 540 students in grades K-5, (4) JICMS is expected to continue to serve approximately 450 students in grades 6-8, and (5) JICHS is expected to continue to serve approximately 410 students in grades 9-12.

A public hearing was held at 10:00 a.m. on July 18, 2019 (the "Public Hearing") at the El Paso County Economic Development Office.

ESTIMATED TIME FOR PRESENTATION

10 minutes/hours

STRATEGIC PLAN GOALS

- GOAL ONE – Maintain and promote a financially sustainable County Government that is transparent and effective
- GOAL TWO – Continue to enhance the understanding of civic services and promote participation, engagement and confidence in County Government
- GOAL THREE – Maintain and improve the County transportation system, facilities, infrastructure and technology.
- GOAL FOUR – Consistently support regional economic strength.
- GOAL FIVE – Strive to ensure a safe, secure, resilient, and healthy community.

FINANCIAL IMPLICATIONS

Business Year:	2019	Subject to TABOR? NO
Fund:		
Funding Amount:	\$0.00	
Increase to original adopted Budget	\$0.00	
Net Cost to County:	\$0.00	
Total Project Cost:	\$0.00	
Vendor Information		

ATTACHMENTS

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