

RESOLUTION NO. R-2019-0143

RESOLUTION APPROVING THE ISSUANCE OF A TAX EXEMPT BONDS BY THE MILFORD HIGHER EDUCATION FACILITIES CORPORATION FOR THE BENEFIT OF RR CHRISTIAN ACADEMY D/B/A ROUND ROCK CHRISTIAN ACADEMY

WHEREAS, the City of Milford, Texas, pursuant to the provisions of Chapter 53 of the *Texas Education Code*, (as amended to include Chapters 53 and 53A of the *Texas Education Code*, the "Act"), has approved and created the Milford Higher Education Facilities Corporation (the "Milford Corporation") as a nonprofit corporation to exercise the powers enumerated and provided in the Act for and on behalf of the City of Milford; and

WHEREAS, pursuant to the provisions of the Act, the Milford Corporation may issue revenue bonds or other obligations to provide funds for any of its purposes including financing or refinancing costs to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve "educational facilities" or "housing facilities" and "facilities incidental, subordinate or related thereto or appropriate in connection therewith" for educational institutions, including RR Christian Academy, d/b/a Round Rock Christian Academy, an accredited primary or secondary school as defined in Chapter 53A of the *Texas Education Code* (the "School"), and regardless if such facilities are located within or without the city limits of the City of Milford; and

WHEREAS, the School is requesting the Milford Corporation to issue a tax exempt financing (the "Financing") for the benefit of the School; and

WHEREAS, the Financing shall be evidenced by a tax exempt note or other evidence of indebtedness; and

WHEREAS, the Financing shall be issued by the Milford Corporation in an amount not to exceed \$7,500,000, with the proceeds of the financing to be used to i.) refinance a loan of the School which was used to purchase approximately 9 acres of real property located at 800 Westwood Drive, Round Rock, Texas 78681 (the "School Campus Site"); and ii.) construct two (2) academic buildings on the School Campus Site which will include classrooms, science facilities, a library, two art classrooms, choir room, music room, media room, restrooms, administrative offices and teachers' lounges, together with related roads and parking facilities, all to be located on the School Campus Site (collectively the "Project"); and

WHEREAS, the Financing will be payable solely from revenues derived by the Milford Corporation from the School pursuant to provisions of a Loan Agreement between the Milford Corporation, Independent Bank, N.A., and the School and other applicable documents being entered into by the Milford Corporation in connection with the issuance of the Financing, and the City of Round Rock, Texas, will have no responsibility in any manner for the payment of the debt service requirements of the Financing; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires the City Council of the City of Round Rock or the Mayor of the City (as the "applicable elected representative" of the "Government unit" where the Project is located) to approve the issuance of the Financing after a public hearing has been held as provided in the next paragraph; and

WHEREAS, on March 28, 2019, a public hearing was held by this City Council, with respect to the Financing and the related Project, with notice of such public hearing having been published in a newspaper of general circulation in the City of Round Rock at least 14 days prior to such public hearing; and

WHEREAS, the documents authorizing issuance of the Financing shall contain wording stating that the Financing imposes no liability on the City of Round Rock, its officials, officers, or employees; and

WHEREAS, it is hereby deemed necessary and advisable that this resolution be adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:

1. That all of the recitals and preambles hereinabove stated are found to be true and correct and are incorporated herein and made a part of this resolution.
2. That in order to satisfy the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and the requirements of the Act, the City of Round Rock hereby approves the issuance of the Financing described above in an aggregate maximum principal amount not to exceed \$7,500,000 in order to obtain funds for the School to finance the Project. Proceeds of the Financing may also be used for paying certain expenses in connection with the issuance of the Financing, all pursuant to the requirements of the Act and other applicable laws.
3. That this resolution shall become effective immediately upon its adoption.
4. That this approval in no event shall make the City of Round Rock liable in any manner whatsoever with regard to the Financing or with regard to the Project to be financed with the proceeds of the Financing.
5. That this approval is given for the limited purpose of satisfying any requirements of the Act and Section 147(f) of the Code, and this approval does not apply to any other legal requirements applicable to the Project, including but not limited to City of Round Rock building code laws or zoning laws.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

RESOLVED this 28th day of March, 2019.

CRAIG MORGAN, Mayor
City of Round Rock, Texas

ATTEST:

SARA L. WHITE, City Clerk