

Uplift Education Bond Issuance TEFRA Approval



Finance, Audit and Accountability
Committee

February 11, 2008

Discussion Materials

Subject

- Issuance of a Loan Agreement in an amount of not to exceed \$6,000,000 by the (“Heart of Texas EFC”) for the benefit of Uplift Education (“Uplift”).
- The Loan Agreement will be used to permanently finance the acquisition of property to be used for a new charter school campus located at 1750 Viceroy Drive, Dallas, Texas 75235.

Background

- Uplift Education (Uplift) is a 501 (c) (3) non profit organization dedication to the operation of charter schools.
- Uplift's operations have been ranked at a high status by the Texas Education Agency for ten consecutive years.
- Uplift currently operates five campuses – Hampton Preparatory, North Hills Preparatory, Peak Preparatory, Summit International Preparatory and Williams Preparatory – and is opening its sixth in the summer 2008

Background (Cont.)

- The School will use the loan to permanently finance (on a tax-exempt basis) the acquisition of the land and facilities for its new campus.
- Heart of Texas EFC is a conduit entity organized for the purpose of financing educational and health facilities. Heart of Texas EFC has no taxing power, no police and no powers of eminent domain.

Background (Cont.)

- Under the Internal Revenue Code, the school requires consent of the City of Dallas in order for the loan to qualify as tax exempt obligations under the Internal Revenue Code.
- The City of Dallas is not being asked to make a loan, guarantee the credit of the School, or to provide funds or credit support for the financing in any manner. The loan will not be a debt or liability of the City and the City's name will not appear on the loan. This request is being made in order to comply with the Internal Revenue Code.

Recommendation

- Forward the School's request to the City Council, with a recommendation to approve an item on the February 27, 2008 City Council Agenda.