



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance

**DCM:** Bryan Langley

**DATE:** January 16, 2018

### **SUBJECT**

Consider approval of a resolution approving the issuance of Revenue Bonds by New Hope Cultural Education Facilities Finance Corporation on behalf of CHF – Collegiate Housing Denton, L.L.C in an aggregate principal amount not to exceed \$100,000,000; recognizing that the City of Denton is not responsible for issuing the Revenue Bonds and has no financial obligation to pay any principal of or interest on the Revenue Bonds; making certain findings in connection therewith; and providing an effective date.

### **BACKGROUND**

The New Hope Cultural Education Facilities Finance Corporation (the “Issuer”) proposes, on behalf of the Town of New Hope, Texas, and CHF-Collegiate Housing Denton, L.L.C. (the “Borrower”) to issue revenue bonds (the “Bonds”) pursuant to Texas Local Government Code, Chapter 337, as amended (the “Act”). Under the Act, the Issuer has the power, authority and right to issue revenue bonds for the purpose of aiding any accredited institution of higher education, secondary schools, and primary schools, and authorized charter schools in financing or refinancing educational facilities and housing facilities and facilities that are incidental, subordinate, or related thereto or appropriate in connection therewith. The Borrower, a single member Alabama limited liability company, has requested that the Issuer issue, and the Issuer proposes to issue, its Capital Improvement Revenue Bonds (CHF – Collegiate Housing Denton, L.L.C. – Texas Woman’s University Project) Series 2018 (the “Bonds”), pursuant to the Act and to loan the proceeds of the Bonds to the Borrower, for the purpose of providing funds to finance the cost of development, financing, construction, furnishing and equipping of an approximately 900-bed student housing facility and an approximately 32,000 square foot dining facility, along with associated site development and various related amenities and improvements to be located on the campus of Texas Woman’s University, to fund interest on the Bonds during the period of construction and up to six months thereafter, to fund a debt service reserve fund for the Bonds, and to pay the costs of issuing the Bonds (collectively, the “Projects”). The Bonds will be payable solely from the revenues of the Borrower, and the City will have no obligation whatsoever for payment of the Bonds. The projects are located at a location bordered by Administration Drive to the South, Bell Avenue to the West and University Drive to the North, or adjacent thereto, on the Texas Woman’s University Campus in Denton, Texas.

Collegiate Housing Denton, L.L.C., is wholly owned by Collegiate Housing Foundation a non-profit corporation exempt from taxation under Section 501(c) (3) of the Internal Revenue Code of 1986.

Section 147(f) of the Internal Revenue Code of 1986 (the “Code”) requires the Issuer to obtain a consent to the financing from a governmental unit within which such educational facilities are located. The Project is being financed with bond proceeds and is located within the jurisdiction of the City of Denton,

Texas. Therefore, pursuant to the Code, the City of Denton's consent is required prior to the Project's financing. Consent is required solely for the purpose of satisfying the Code and to enable the Issuer to proceed with the proposed financing of the Project with tax exempt bonds.

In accordance with the Code, a Notice of Public Hearings was published in the Denton Record Chronicle on November 10, 2017. The Public Hearing was held on November 28, 2017 at 1:00 p.m. within the City of Denton at 304 Administration Drive in the Administrative Conference Tower, Denton, Texas 76204.

**RECOMMENDATION**

Staff recommends approval of the resolution.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

None.

**FISCAL INFORMATION**

The Bonds will be payable solely from revenues of the Borrower and the City of Denton will have no obligation whatsoever for payment of the Bonds, nor shall any of its assets be pledged for payment for the Bonds.

**STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area: Organizational Excellence**

**Related Goal: 1.1 Manage financial resources in a responsible manner**

**EXHIBITS**

1. Agenda Information Sheet
2. Letter from McCall, Parkhurst & Horton
3. Letter from City's Bond Counsel
4. Map of Proposed Project Location
5. Resolution

Respectfully submitted:  
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Director of Finance