

RESOLUTION **2014-10-02-0035R**

APPROVING THE ISSUANCE BY THE CLIFTON HIGHER EDUCATION FINANCE CORPORATION OF ITS EDUCATION REVENUE AND REFUNDING BONDS (IDEA PUBLIC SCHOOLS) SERIES 2014 FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE

* * * * *

WHEREAS, the Clifton Higher Education Finance Corporation (the “*Corporation*”) was created by the City of Clifton, Texas, pursuant to Chapter 53, Texas Education Code (the “*Act*”), and is empowered thereby to issue its revenue bonds in order to enable an accredited or authorized charter school to finance and refinance the cost of certain “educational facilities,” as defined in the Act; and

WHEREAS, in furtherance of the purposes of the Act, the Corporation has authorized the issuance of its revenue bonds designated as the “Clifton Higher Education Finance Corporation Education Revenue and Refunding Bonds (IDEA Public Schools) Series 2014” (the “*Bonds*”) the proceeds of which will be loaned to IDEA Public Schools (the “*Borrower*”) to be used to finance and refinance the cost of certain educational facilities of the Borrower located in San Antonio, Texas (the “*Project*”); and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986 (the “*Code*”) requires that the issuance of any qualified 501(c)(3) obligations be approved by the “applicable elected representative” (the “*AER*”) of the governmental unit in which the Project is located after a public hearing following reasonable public notice; and

WHEREAS, the Bonds are qualified 501(c)(3) obligations under the Code; and

WHEREAS, the Project is located in the City of San Antonio, Texas (the “*City*”) and the City Council (“*City Council*”) is an AER for the City; and

WHEREAS, attached hereto as Exhibit A is the Notice of Public Hearing (the “*Notice of Public Hearing*”) which was published in a newspaper of general circulation in the City, as required by section 147(f) of the Code which public hearing was conducted by the Corporation on September 15, 2014; and

WHEREAS, attached hereto as Exhibit B is the Affidavit of Publication of the Notice of Public Hearing; and

WHEREAS, attached hereto as Exhibit C is the Certificate of Public Hearing Officer; and

WHEREAS, the City Council desires to approve the Project and the Bonds solely for purposes of satisfying the requirements of Section 147(f) of the Code; and

WHEREAS, the actions of the City Council with respect to the Project and the Bonds and to the matters described herein will create no liability for the City, and is in the best interest of the City, and the City Council desires to approve this Resolution; **NOW THEREFORE:**

BE IT RESOLVED that the City Council is authorized to approve and deliver this Resolution.

BE IT FURTHER RESOLVED that the City Council hereby specifically approves the Bonds and the Project solely for the purpose of satisfying the requirements of section 147(f) of the Code and such approval is not to be construed as an undertaking by the City. The Bonds shall not constitute a liability, an indebtedness or an obligation of the City nor shall any of the assets of the City be pledged to the payment of the Bonds. This Resolution shall become effective immediately upon the execution hereof.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

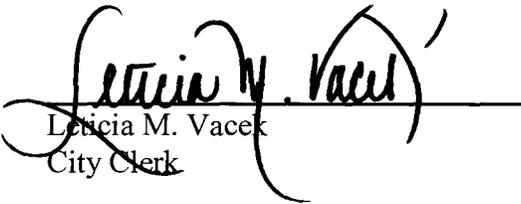
*[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]*

RR
10/02/14
Item No. 26

PASSED AND APPROVED BY THE CITY COUNCIL of the City of San Antonio this 2nd day of October, 2014.


M A Y O R
Ivy R. Taylor

ATTEST:


Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:


Robert F. Greenblum
City Attorney

Agenda Item:	26 (in consent vote: 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33)
Date:	10/02/2014
Time:	09:16:19 AM
Vote Type:	Motion to Approve
Description:	A Resolution approving a financing by the Clifton Higher Education Finance Corporation for the benefit of the IDEA Public Schools for purposes of Section 147(f) of the Internal Revenue Code. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Director of Finance]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x				
Keith Toney	District 2	x					
Rebecca Viagran	District 3		x				x
Rey Saldaña	District 4		x			x	
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Mari Aguirre-Rodriguez	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9	x					
Michael Gallagher	District 10		x				

EXHIBIT A

NOTICE OF PUBLIC HEARING

CLIFTON HIGHER EDUCATION FINANCE CORPORATION

EDUCATION REVENUE AND REFUNDING BONDS (IDEA PUBLIC SCHOOLS) SERIES 2014

Notice is hereby given of a public hearing to be held on behalf of the Clifton Higher Education Finance Corporation (the "Issuer") on September 15, 2014, at 11:00 a.m., in the office of Andrews Kurth LLP, 111 Congress Avenue, 17th Floor, Austin, Texas 78701, with respect to the captioned bonds (the "Bonds"). The Bonds will be issued in an aggregate principal amount not to exceed \$156,000,000 by the Issuer. The proceeds of the Bonds will be loaned to IDEA Public Schools, a Texas nonprofit corporation (the "Borrower"), for the following purposes:

- (1) financing and/or refinancing the cost of acquiring, constructing, improving and equipping its:
 - (a) IDEA Academy San Antonio No. 5 and IDEA College Preparatory San Antonio No. 5, MLK Drive at Hedges Street, San Antonio, Texas 78203 ("San Antonio Campus No. 5");
 - (b) IDEA Academy San Antonio No. 6 and IDEA College Preparatory San Antonio No. 6, Judson Road and Feather Ridge, San Antonio, Texas 78233 ("San Antonio Campus No. 6");
 - (c) IDEA Academy San Antonio No. 7 and IDEA College Preparatory San Antonio No. 7, on Waters Edge Drive, San Antonio, Texas 78245 ("San Antonio Campus No. 7");
 - (d) IDEA Academy San Antonio No. 8 and IDEA College Preparatory San Antonio No. 8, S. WW White Road and Lord Road, San Antonio, Texas 78220 ("San Antonio Campus No. 8");
 - (e) IDEA Academy Carver CP and IDEA College Preparatory Carver CP, 1511 Commerce, 217 Robinson Place, Building #6, and 313 Olive, San Antonio, Texas 78202 ("Carver CP Campus");
 - (f) IDEA Academy Brownsville No.3 and IDEA College Preparatory Brownsville No. 3, 30 Palm Boulevard, Brownsville, Texas 78526 ("Brownsville No. 3");
 - (g) IDEA Academy Austin No. 2 and IDEA College Preparatory Austin No. 2, off Dessau Road between Rundberg Lane and Braker Lane, Austin, Texas 78753 and 9504 North I-35, Austin, Texas 78753 ("Austin No. 2");
 - (h) IDEA Academy Austin No. 3 and IDEA College Preparatory Austin No. 3, E. Slaughter Lane and Old Lockhart Road, Austin, Texas 78747 ("Austin No. 3");
 - (i) IDEA Academy Mission No. 2 and IDEA College Preparatory Mission No. 2, 2706 N. Holland Avenue, Mission, Texas 78572 ("Mission Campus No.2");

- (j) IDEA Headquarters located at 2112 W. Pike Boulevard, Weslaco, Texas 78596 (“Weslaco Headquarters”);
- (k) IDEA Academy Weslaco Pike and IDEA College Preparatory Weslaco Pike, 1000 East Pike Boulevard, Weslaco, Texas 78596 (“Weslaco Pike Campus”);
- (l) IDEA Academy South Flores and IDEA College Preparatory South Flores, 6919 S. Flores Street and W. Harding Boulevard, San Antonio, Texas 78221 (“South Flores Campus”);
- (m) IDEA Academy Allan and IDEA College Preparatory Allan, 220 Foremost Drive, Austin, Texas 78745 (“Allan Campus”); and
- (n) IDEA Academy San Juan located at 200 North Nebraska St., San Juan, Texas 78589 and IDEA College Preparatory San Juan located at 600 E. Sioux Rd., San Juan, Texas 78589 (collectively, “San Juan Campus”).
- (2) financing certain costs for acquisition of land and the design, construction, renovation and/or equipment of educational facilities, to be located at the NE corner of Vargas Road and E. Riverside Drive, Austin, Texas 78741.
- (3) refinancing a loan from Regions Bank that was used to fund certain capital improvements and the acquisition of furniture and equipment for multiple campuses.
- (4) refunding the Texas Public Finance Authority Charter School Finance Corporation’s Education Revenue Bonds (IDEA Public Schools) Series 2007A, which financed the following projects:
- financing and refinancing certain costs of the acquisition of land, site improvements, design construction, renovation, and/or equipment of approximately 87,000 square feet of existing educational facilities and 8,000 square feet of new construction of educational facilities, all located at the IDEA Academy and College Prep campus of the School located at 401 S. 1st St., Donna, Texas 78537.
 - financing certain costs of the construction, renovation and/or equipment of approximately 68,000 square feet of educational facilities at the Frontier Academy and College Prep, all located at 2800 S. Dakota Avenue, Brownsville, Texas 78521.
 - financing certain costs of the construction, renovation and/or equipment of educational facilities, including an approximately 68,000 square foot new building, all located at the Quest Academy and College Prep located at Mile 17-1/2 Road and Rooth Road, McAllen, Texas 78504.
 - financing certain costs of the construction, renovation and/or equipment of educational facilities, including an approximately 35,000 square foot new building, at the Upper Rio Grande Valley campus, all located on the West side of Breyfogle Road, 1/2 mile south of Mile 1 South Road, Mission, Texas 78572.
 - financing certain costs of the construction, renovation and/or equipment of educational facilities, including an approximately 35,000 square foot new building

at the Middle Rio Grande Valley campus, all located at the intersection of FM 509 and Russell Lane (also known as Hainey Drive), San Benito, Texas, 78586.

- (5) paying a portion of the costs of issuance of the Bonds.

The Project will be owned and operated by the Borrower. The Bonds are not payable out of taxes and are secured by and payable solely from funds provided by the Borrower.

The public hearing will be conducted by Greg Shields or his designee (the Hearing Officer). All interested persons are invited to attend such public hearing to express their views with respect to the above-described project and the Bonds. Any interested persons unable to attend the hearing may submit their views in writing to the Hearing Officer prior to the date scheduled for the hearing at fax number (713) 238-5040. This notice is published and the hearing is held in satisfaction of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

EXHIBIT B
AFFIDAVIT OF PUBLICATION



Media Works

San Antonio Express-News
mySA.com | ExpressNews.com
Conexión | The San Antonio Light
EN Community & Military Newspapers

SAN ANTONIO EXPRESS NEWS
AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:
COUNTY OF BEXAR

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, Lynette Nelson, who after being duly sworn, says that she is the BOOKKEEPER of THE HEARST CORPORATON (SAN ANTONIO EXPRESS-NEWS DIVISION), a daily newspaper published in Bexar County, Texas and that the publication, of which the annexed is a true copy, was published to wit:

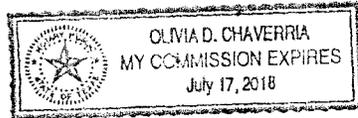
Customer ID: 725312
Customer Name: Andrews Kurth LLP
Order ID: 2623001

Publication	Pub Date
EN Classified	29-AUG-14

Lynette Nelson
Bookkeeper

Sworn and subscribed to before me, this 2 day of Sept. A.D. 2014

Notary public in and for the State of Texas



Attach Ad Here

NOTICE OF PUBLIC HEARING

CLIFTON HIGHER EDUCATION FINANCE CORPORATION EDUCATION REVOLUTION AND IDEA PUBLIC SCHOOLS

Notice is hereby given that a public hearing is to be held on behalf of the Clifton Higher Education Finance Corporation (the "Issuer") on September 15, 1984, at 11:00 a.m. in the office of Andrews Kurth LLP, 111 Congress Avenue, 17th floor, Austin, Texas 78701, with respect to the proposed bonds to be issued in an open competitive manner without notice of sale by the Issuer. The proceeds of the bonds will be loaned to IDEA Public Schools, a Texas nonprofit corporation (the "Borrower") for the following purposes:

- (1) financing and/or refinancing the debt of certain IDEA preparatory and college campuses;
- (2) IDEA Academy San Antonio No. 5 and IDEA College Preparatory San Antonio No. 5, 4144 Drive at Hedges Street, San Antonio, Texas 78205 (San Antonio Campus No. 5);
- (3) IDEA Academy San Antonio No. 6 and IDEA College Preparatory San Antonio No. 6, Jackson Road and Essinger Lodge, San Antonio, Texas 78223 (San Antonio Campus No. 6);
- (4) IDEA Academy San Antonio No. 7 and IDEA College Preparatory San Antonio No. 7, 10101 Veterans Expressway, San Antonio, Texas 78245 (San Antonio Campus No. 7);
- (5) IDEA Academy San Antonio No. 8 and IDEA College Preparatory San Antonio No. 8, 8111 W. White Road and Lake Road, San Antonio, Texas 78217 (San Antonio Campus No. 8);
- (6) IDEA Academy Carver CP and IDEA College Preparatory Carver CP, 2511 Commerce, 217 Robinson Plaza, Building #6, and 213 Olive Street, Houston, Texas 77002 ("Carver CP Campus");
- (7) IDEA Academy Brownsville No. 3 and IDEA College Preparatory Brownsville No. 3, 80 Pinta Boulevard, Brownsville, Texas 78520 (Brownsville No. 3);
- (8) IDEA Academy Austin No. 2 and IDEA College Preparatory Austin No. 2, off Deans Road between Ridgeway Lane and Greiner Lane, Austin, Texas 78753 and 9504 North I-35, Austin, Texas 78753 (Austin No. 2);
- (9) IDEA Academy Austin No. 3 and

IDEA College Preparatory Austin No. 3, E. Slaughter Lane and Old Lockhart Road, Austin, Texas 78747 (Austin No. 3);

(10) IDEA Academy Mission No. 2 and IDEA College Preparatory Mission No. 2, 2704 W. Military Avenue, Mission, Texas 78572 (Mission Campus No. 2);

(11) IDEA Headquarters located at 2112 W. Pita Boulevard, Weslaco, Texas 78596 (Weslaco Headquarters);

(12) IDEA Academy Weslaco Pita and IDEA College Preparatory Weslaco Pita, 1604 W. Pita Boulevard, Weslaco, Texas 78596 (Weslaco Pita Campus);

(13) IDEA Academy South Flores and IDEA College Preparatory South Flores, 6919 S. Flores Street and W. Harlingen Boulevard, San Antonio, Texas 78224 (South Flores Campus);

(14) IDEA Academy Allen and IDEA College Preparatory Allen, 220 Foremost Drive, Austin, Texas 78743 (Allen Campus); and

(15) IDEA Academy San Juan located at 220 North Broadway St., San Jose, Texas 78589 and IDEA College Preparatory San Juan located at 6012 Deer Rd., San Juan, Texas 78581 (collectively, "San Juan Campus").

(16) financing certain costs for acquisition of land and the design, construction, renovation and/or replacement of educational facilities, including but not limited to the following: (a) financing the design and construction of a new building at the intersection of the 17-1/2 Road and Austin Road, Austin, Texas 78704;

(17) refinancing a loan from Regions Bank that was used to fund certain capital improvements and the acquisition of furniture and equipment for multiple campuses;

(18) refinancing the Texas Public Finance Authority Class A Texas Finance Corporation's Education Revenue Bonds (IDEA Public Schools) Series 2007A which financed the following projects:

- financing and refinancing certain costs of the acquisition of land, the improvement, design, construction, renovation, and/or replacement of approximately 27,000 square feet of existing educational facilities and the construction of new educational facilities, including all located at the intersection of College Pkwy and Pinta Boulevard, Brownsville, Texas 78520;

• financing and refinancing certain costs of the acquisition of land, the improvement, design, construction, renovation, and/or replacement of approximately 100,000 square feet of existing educational facilities and the construction of new educational facilities, including all located at the intersection of the 17-1/2 Road and Austin Road, Austin, Texas 78704;

• financing and refinancing certain costs of the improvement, design, construction, renovation, and/or replacement of educational facilities, including an approximately 25,000 square foot new building at the intersection of East Harlingen and College Pkwy located at 17-1/2 Road and Austin Road, Austin, Texas 78704;

• financing and refinancing certain costs of the improvement, design, construction, renovation, and/or replacement of educational facilities, including an approximately 25,000 square foot new building at the intersection of the 17-1/2 Road and Austin Road, Austin, Texas 78704;

• financing certain costs of the construction, renovation and/or equipment of educational facilities, including an approximately 25,000 square foot new building at the intersection of the 17-1/2 Road and Austin Road (also known as Halvey Drive), San Antonio, Texas 78205;

(19) paying a portion of the costs of expenses of the bonds.

The Project will be owned and operated by the Borrower. The bonds are not payable out of taxes and are secured by and payable solely from funds provided by the Borrower.

The public hearing will be conducted by Greg Shields, or his designee (the Hearing Officer). All interested persons are invited to attend such public hearing to express their views with respect to the above described project and the bonds. Any interested person unable to attend the hearing may submit their views in writing to the Hearing Officer prior to the date stipulated for the hearing at tax number 713-238-0040. This notice is published and the hearing is held in satisfaction of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

EXHIBIT C
CERTIFICATE OF PUBLIC HEARING OFFICER

CERTIFICATE OF PUBLIC HEARING OFFICER
REGARDING PUBLIC HEARING (INTERNAL REVENUE CODE § 147(f))

CLIFTON HIGHER EDUCATION FINANCE CORPORATION
EDUCATION REVENUE REFUNDING BONDS (IDEA PUBLIC SCHOOLS) SERIES 2014

I, the undersigned, do hereby make and execute this certificate for the benefit of all persons interested in the issuance of the above-referenced bonds (collectively, the "Bonds").

I hereby certify as follows:

1. I am the duly appointed hearing officer for the public hearing which was held in connection with the issuance of the Bonds at the time and place indicated in the Notice of Public Hearing included in **Exhibit A** attached hereto.
2. Notice of the public hearing was published no less than 14 days before the date of the public hearing in the Austin American-Statesman and the San Antonio Express-News, as evidenced by the Affidavits of Publication of the Notice of Public Hearing attached hereto as **Exhibit A**.
3. All persons appearing at the public hearing were given an opportunity to comment on the proposed issuance of the Bonds and the project to be financed with proceeds of the Bonds. No such persons appeared or made comments except as is set forth on **Exhibit B** attached hereto.
4. After giving all interested persons an opportunity to appear and comment, the public hearing was declared closed.

WITNESS MY HAND this 15th day of September, 2014.

A handwritten signature in cursive script, appearing to read "Greg Shields", written over a horizontal line.

Greg Shields
Hearing Officer

Exhibit A - Affidavit of Publication of the Notice of Public Hearing
Exhibit B - Names and Comments of Persons Attending Public Hearing

EXHIBIT A

AFFIDAVITS OF PUBLICATION OF THE NOTICE OF PUBLIC HEARING

ATTACHED

EXHIBIT B

NAMES AND COMMENTS OF PERSONS ATTENDING PUBLIC HEARING

NONE

Name of Attendee

Comment

1. _____

2. _____

3. _____

