

MANATEE COUNTY GOVERNMENT

AGENDA MEMORANDUM

SUBJECT	Manatee School of Arts & Sciences, Inc.	TYPE AGENDA ITEM	Public Hearing
DATE REQUESTED	January 9, 2001	DATE SUBJECTIVE DISCUSSED	January 3, 2001
BRIEFING NAME OF	N/A	CONSEQUENCES IF DEFERRED	
DEPARTMENT/DIVISION	County Attorney's Office	AUTHORIZED BY TITLE	Teddy N. Williams, Jr. County Attorney
CONTACT PERSON PHONE/EXTENSION	Patricia McVoy Senior Assistant County Attorney Ext. 3750	PRESENTER TITLE TELEPHONE/EXTENSION	Teddy N. Williams, Jr. County Attorney Ext. 3750
ADMINISTRATIVE APPROVAL		<i>JW 1/3/01</i>	

- ACTION DESIRED**
(INDICATE WHETHER "PROPOSAL" or "DISCUSSION," "FORM OF MOTION," or "OTHER ACTION REQUIRED")
1. Conduct TEFRA Hearing allowing an opportunity for the public to express their views on the Manatee School of Arts & Sciences, Inc. Project, and the issuance of not exceeding \$1.1 million in special revenue bonds by the City of Bradenton to finance the Project.
 2. Adoption of Resolution R-01-13 approving the issuance of the bonds within the meaning of Section 147(f) of the Internal Revenue Code and authorizing an interlocal agreement between the County and the City of Bradenton, Florida, relating to the issuance by the City of the bonds to finance the Project.

ENABLING/REGULATING AUTHORITY
(Refer to State Law(s), administrative rulings, Manatee County Comp Plan/Land Development Code, ordinances, resolutions, policy.)

Section 147(f) of the Internal Revenue Code
Part II of Chapter 159, Florida Statutes

- BACKGROUND/DISCUSSION**
- It is necessary to open the public hearing required by the Tax Equity and Fiscal Responsibility Act and provide an opportunity for the public to comment on the proposed bond issue for the Manatee School of Arts & Sciences, Inc. Project in an amount not exceeding \$1.1 million. Copies of the application submitted by the School were placed in the record and have been attached to this memorandum.
 - Manatee School of Arts & Sciences, Inc., has asked the County to consider entering into an interlocal agreement with the City of Bradenton that would permit the City to issue tax exempt bonds to finance an expansion to the School (the Project). The School is located at 3700 32nd Street West in Bradenton in the unincorporated area of the County.
 - The reason the School has asked the City to issue the bonds is to obtain a more favorable interest rate. Under the Internal Revenue Service regulations, bank-qualified debt may be issued by a political subdivision that will not issue more than \$10 million in bonds in a given year. Bank-qualified debt carries an even lower interest rate than ordinary tax exempt debt.
 - It should be noted that the applicant has accepted responsibility for any County Attorney fees and costs and outside counsel fees. The proposed Resolution and interlocal agreement have been reviewed by Steve Sanford as bond counsel for Manatee County.
 - The Board has not previously adopted policies regarding the issuance of bonds by governments other than the County. Copies of the School's application have been distributed to all parties who generally review applicants for the issuance of the County's own industrial development revenue bonds. I am advised that the Clerk will not provide commentary on the financing unless requested by the Board of County Commissioners. No other comments have been received.
 - If the bonds are issued by the City of Bradenton, the bonds will be payable solely from revenues derived by the City from the borrower, will not constitute an indebtedness of the County, and no County, City or State revenues will be pledged.
 - Timothy Knowles of Harlee, Porges, Hamlin, Knowles, Bald & Prouty, P.A., is representing the School and will be available to answer any questions you may have before or at the public hearing.

APPROVED IN OPEN SESSION

JAN 09 2001

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HAS COUNTY ATTORNEY REVIEW BEEN REQUESTED? Indicate "NO" or "YES" @ right. (If "NO," proceed to (D) below and if "YES," proceed to (A) below.		N/A
A) PLEASE EXPLAIN BELOW (see the following section (B) re: contract agreement, lease, etc):		
County Attorney item.		
B) IF A CONTRACT, AGREEMENT, LEASE, OR OTHER DOCUMENT WAS PREVIOUSLY APPROVED, STATE YEAR OF LAST USE @ RIGHT.		N/A
C) HAS ENTIRE MATTER OR ONLY A PORTION BEEN REVIEWED? IF ONLY A PORTION, WHICH PORTION?		
N/A		
D) HAVE ALL COMMENTS/SUGGESTIONS RAISED BY COUNTY ATTORNEY BEEN ADDRESSED/INCORPORATED? IF NOT, PLEASE EXPLAIN. A COPY OF FINAL COUNTY ATTORNEY MEMO RE THIS MATTER MUST BE ATTACHED (if comments were verbal, so indicate).		
N/A		

ATTACHMENTS (List to order as attached)	INSTRUCTIONS TO BOARD RECORDS:
Resolution R-01-13, with Attachment A, the interlocal agreement and Attachment B, the Proof of Publication Application	Return a stamped copy of this agenda memorandum and a <u>certified</u> copy of Resolution R-01-13 to Patricia McVoy, County Attorney's Office.
COST	SOURCE (ACCT# & NAME)
AVOIDERS	AMT/FREQ. OF RECURRING COSTS (ATTACH FISCAL IMPACT STATEMENT)

**APPLICATION FOR INTERLOCAL AGREEMENT
FOR BANK QUALIFIED BOND FINANCING**

TO: BOARD OF COUNTY COMMISSIONERS, MANATEE COUNTY, FLORIDA

DATE: December 13, 2000

Manatee School of Arts and Sciences, Inc., ("Applicant") hereby requests that the Board of County Commissioners of Manatee County, Florida enter into an Interlocal Agreement with the City of Bradenton for the issuance of \$1,100,000.00 of bank qualified bonds to finance the construction of a new educational facility ("Project") to be operated by the Applicant. Further information regarding the Applicant's legal, financial and operational status and further description of the Project is provided herein.

1. a. **Applicant's Name:** Manatee School of Arts and Sciences, Inc.
 - b. **Business Address:** 7315 1st Avenue West
Bradenton, Florida 34209
 - c. **How long has company been in business?** 3 years
 - d. **Name and address of Attorney handling Project:**

Timothy A. Knowles, Esquire
Harlee, Porges, Hamlin, Knowles, Bald & Prouty, P.A.
1205 Manatee Avenue West
Bradenton, Florida 34205
2. **Provide a brief description of project:**
- a. **Location -** 3700 32nd Street West, Bradenton, Florida 34205
 - b. **Attach site plan**
 - c. **Size of Issue -** \$1,100,000.00
 - d. **Breakdown of project expenses.** Attachment "A"
 - e. **Other pertinent information.** Attachment "B"
3. **List the name and business address of principal corporate officers, directors, principal stockholders if a corporation and all owners, partners, principals, managing employees and key personnel. Attach personal resume of individual owning controlling interest in company. (Provide attachments as necessary.)**

Manatee School of Arts and Sciences, Inc., is a Florida non-profit corporation, tax-exempt under Section 501(c)(3) of the Internal Revenue Code. It has no shareholders. Officers and directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>POSITION</u>
Miriam Jolly	6315 2 nd Avenue NW Bradenton, Florida 34209	President/Director
Robert Doyle	6406 1 st Avenue W Bradenton, Florida 34209	Vice President/Director
Fran Rosenbluth	8304 12 th Avenue Drive NW Bradenton, Florida 34209	Secretary/Treasurer/Director

Robert Hynton	5212 24 th Avenue Drive W Bradenton, Florida 34209	Director
Robert Kitzmuller	4407 Park Lake Terrace N Bradenton, Florida 34209	Director

4. **Attach a statement describing in detail the nature of each industry or business in which the applicant has been involved during the last ten years.**

See Attachment "C"

5. **Has applicant previously financed any Project within the meaning of the Florida Industrial Development Financing Act (Florida Statutes, Chapter 159, Part II):**

_____ Yes X No

6. **Attach audited financial statements and annual reports to shareholders service operations started for applicant showing detail for each year:**

- a. **Each source of income of applicant which provides in excess of 5% of applicant's total, annual gross income.**
- b. **A detailed list of applicants current assets. (Include balance sheets and profit and loss statements for b and c).**
- c. **A detailed list of applicant's current liabilities.**
- d. **Applicant's current net worth.**
- e. **Annual earning trends for each source of income which provides in excess of 5% of applicant's total, annual gross income.**
- f. **Coverage for all fixed charges.**

7. **Bank Relations:**

- a. **Attach a list of names and addresses of present, active Banks of Account, together with the name of the bank officer handling the account. Give amount of credit lines and security.**

First National Bank of Manatee
5718 Manatee Avenue West
Bradenton, Florida 34209
Bank Manager: Barbara Kinsey

Regular Checking Account
Account # 0100326291-01

Fund-raising Checking Account
Account # 100426504-01

Cash Reserve Savings Account
Account # 100326291-02

No outstanding loans, credit lines or debt with this bank. Manatee School of Arts and Sciences has used this bank since the corporation's inception.

- b. **Attach a list of names and addresses of banks and other lending institutions where business has been conducted during the past three years, stating whether credit was granted or declined. If granted, state the highest credit extended and the method of borrowing.**

Bank of America has approved a mortgage for this project in the amount of \$1,100,000.00.

8. **Has applicant been involved in bankruptcy or receivership proceedings within the last ten years?**

_____ Yes X No

9. **Describe the security behind the proposed bond issue. Should the project be approved, will the financial obligations of the applicant be guaranteed or secured by a personal guarantee of a principal or of another person, firm or corporation?**

The bond issue will be secured by a first mortgage on real property.
There will be no personal guarantees.

10. **How many years are requested for repayment of this bond issue?** 15 years

11. **Provide a forecast of revenues available to pay debt service indicating the assumption used.** "Charter School Contract" finances this project.

12. **Discuss arrangements for the financing of this project. Have you talked with a local bank or retained an investment banking firm to assist you in this financing? If so, what is the name of the bank, firm or both.** Bank of America, N.A.

13. **Will this be a private placement or public offering?** Private

14. **Has a purchaser of the bonds been identified? If yes, Who?** Bank of America, N.A.

15. **Attach market and economic feasibility studies if available.** None

16. **Describe the nature and extent of the impact of the proposed project in Manatee County, Florida including:**

- a. **Impact upon economic growth in Manatee County** Manatee School of Arts and Sciences, Inc. provides a school choice 225 children who live in Manatee County, Florida.

- b. **Number of new jobs to be created, (include estimated annual payroll).**

2 Teacher	\$ 50,000.00
1 Aide	\$ 12,040.00
½ ESE Teacher	\$ 10,000.00

- c. **Number of permanent jobs retained. (Include estimated annual payroll.)**

7 Teachers	\$217,249.00
3 Aides	\$ 46,440.00
1 ESE Teacher	\$ 21,200.00
1 Speech	\$ 16,000.00
1 OT	\$ 12,000.00
3 Administration	\$122,049.00
1 Custodian	\$ 25,260.00

- d. **Estimated value of property to be added to tax rolls.** -0- tax exempt

- e. **Other ways in which the project will affect the economic prosperity and general**

welfare of the county and its people. Manatee County is growing quickly. Some schools are overcrowded. Manatee School of Arts and Sciences, Inc. offers a choice for all families in our county while relieving overcrowding in district schools. Some parents prefer their boys and girls to go to a smaller school. Many parents would like a new school building for their children to attend. Our charter school building would be the first Charter school in a brand new facility. The mission of our school states: We believe through the arts and sciences our school will create an atmosphere in which all students will be intrinsically motivated. Low child to teacher ratio, family contracts and community interaction facilitate the students' ability to construct their own knowledge. We maintain high expectations for all students to grow academically, physically, emotionally, and socially in order to continue their growth as citizens and their love of Manatee County.

- f. **The extent to which local resources, manpower and business will be used in construction, operation and maintenance of the project.** A local builder, Mike Carter Construction, Inc., has been contracted to build the school. We had our state offers for bank finance and chose Bank of America that have many locations and commitments in Manatee County. We hired Manatee County attorneys, accountants, air conditioning specialists, tutors, speech and language professionals, and many more individuals and businesses.

FEES

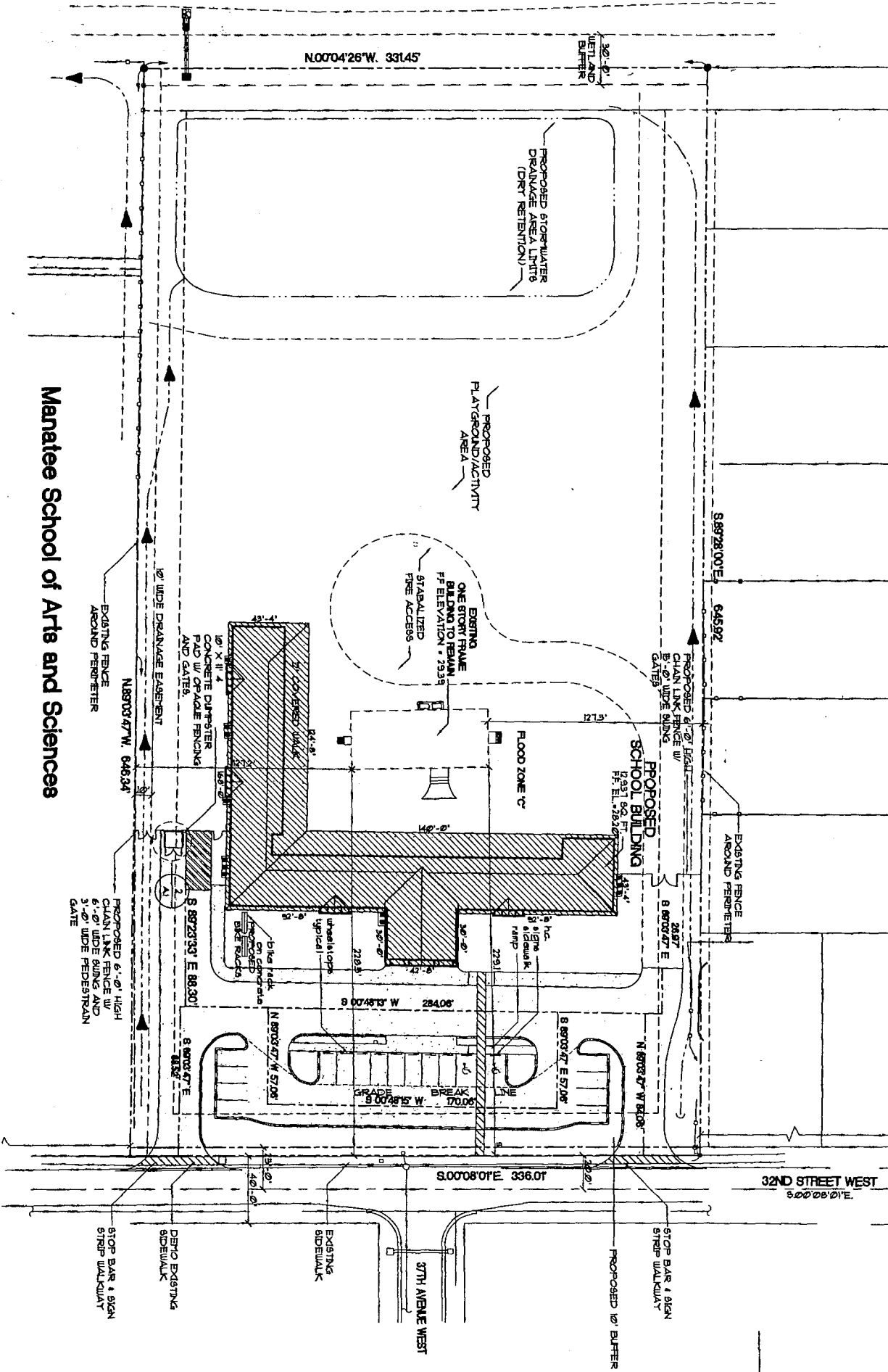
Applicant shall be responsible for all County Attorney fees and cost and outside counsel fees and costs in and by Manatee County with respect to creation and approval of the Interlocal Agreement and the issuance of Bank Qualified Bonds pursuant to this Application.

Please return application and all attachments to:

**The County Attorney's Office
P. O. Box 1000
The Courthouse, Rm. 236
Bradenton, Florida 34206**

CEDAR HAMMOCK DRAINAGE CANAL

Manatee School of Arts and Sciences



N.00'04'26\"

32' 0\"

PROPOSED STORMWATER DRAINAGE AREA LIMITS (DRY RETENTION)

PROPOSED PLAY/GROUND/ACTIVITY AREA

EXISTING ONE STORY FRAME BUILDING TO REMAIN F.F. ELEVATION = 29.39 STABILIZED TREE ACCESS

CONCRETE DIRT-ROTOR PAD W/ CRACK FENCING AND GATES.

EXISTING FENCE AROUND PERIMETER

N.89'03'47\"

S.89'28'00\"

645.92'

PROPOSED 6'-0\"

PROPOSED SCHOOL BUILDING F.F. EL. = 28.20'

FLOOD ZONE 'C'

EXISTING FENCE AROUND PERIMETER

S.89'03'47\"

S.89'23'33\"

PROPOSED 6'-0\"

S.89'03'47\"

N.89'03'47\"

S.00'08'01\"

32ND STREET WEST 6.00'00'01\"

STOP BAR & SIGN STRIP WALKWAY

DETOUR EXISTING SIDEWALK

EXISTING SIDEWALK

37TH AVENUE WEST

PROPOSED 10' BUFFER

STOP BAR & SIGN STRIP WALKWAY

Attachment "A"

MANATEE SCHOOL OF ARTS AND SCIENCES, INC.

SCHEDULE OF VALUES

GENERAL CONDITIONS	60,506
SITWORK	192,805
CONCRETE	95,556
MASONRY	51,975
STEEL WOOD WORK	9,896
THERMAL	116,685
DOORS AND WINDOWS	48,813
FINISHES	129,030
SPECIALTIES	4,536
HVAC	54,521
PLUMBING	39,323
FIRE PROTECTION	38,850
ELECTRICAL	112,287

SUBTOTAL	\$ 999,877
OVERHEAD AND PROFIT 8%	\$ 79,990
TOTAL	\$ 1,079,867

Attachment "B"

PROJECT DESCRIPTION

Manatee School of Arts and Sciences, Inc. ("MSAS") proposes to construct an elementary school facility consisting of nine (9) classroom and support areas and administrative offices of approximately 12,000 square feet and associated site improvements. MSAS will be located on a 4.95 acre parcel located at 3700 32nd Street West, Bradenton, Florida, already acquired by the school. The school will serve grades early intervention (pre-K) through six (6) with a student body not to exceed three hundred sixty (360). The new facility is projected to open in August, 2001, with the beginning of the 2001-2002 school year.

Attachment "C"

Manatee School of Arts & Sciences, Inc. was incorporated in 1997 and is the first "Charter School" authorized by the School Board of Manatee County.

Section 228.056, Florida Statutes, provides for the creation of "Charter Schools" as part of the State of Florida's program of public education. Charter schools are nonsectarian public schools of choice that operate with freedom from many of the regulations that apply to traditional public schools. The "Charter" establishing each such school is a performance contract with the local school board detailing the school's mission, program, goals, students served, methods of assessment, and ways to measure success. Charter schools are accountable to the local school board to produce positive academic results and adhere to the Charter contract. The basic concept of charter schools is that they exercise increased autonomy in return for this accountability. Charter schools are accountable for both academic results and fiscal practices to several groups, the sponsor that grants them, the parents who choose them, and the public that funds them.

The statute mandates that each charter school shall be organized as a non-profit organization and may be either a private or public employer, and may participate in the Florida Retirement System. Charter schools do not charge tuition or fees, except those fees normally charged by other public schools. Students enrolled in a charter school are funded as if they are in a basic program or a special program the same as students enrolled in other public schools in the school district.

Manatee School of Arts & Sciences, Inc. currently serves approximately 140 Manatee County students in grades PK through 6. Upon completion of its new facility, the School will serve up to 360 students.