



Legislation Text

File #: 18-0358, **Version:** 1

A resolution of the City Council of the City of Colorado Springs, Colorado, approving, solely for the purposes of Section 147(f) of the Internal Revenue Code, the issuance by the Capital Trust Agency of its Senior Living Revenue Bonds (American Eagle Portfolio Project), Series 2018, for the purpose of financing the senior living facilities herein described, one of which is located in the City and providing an effective date.

Presenter:

Erich Kennedy, Esq., Dinsmore & Shohl LLP

Summary:

Applicant:

Owners: American Eagle Delaware Holding Company LLC, a Delaware Limited Liability Company, or a related or an affiliated entity

Location: 2850 North Academy Boulevard, Colorado Springs

This is a request to approve a resolution which provides the required approval under Section 147(f) of the Internal Revenue Code with respect to the issuance of bonds by the Capital Trust Agency, the proceeds of which will finance the acquisition of seventeen senior living facilities located in several states including that 60-unit senior living community known as Brookdale Palmer Park at 2850 North Academy Boulevard in Colorado Springs.

Previous Council Action:

N/A

Background:

The Capital Trust Agency (the "CTA") has been asked to serve as the issuer of bonds to finance the proposed acquisition of seventeen senior living facilities located in Alabama, Colorado, Florida, Minnesota, Ohio, Tennessee, Texas and Wisconsin (collectively, the "Project"), including the a 60-unit senior living facility at 2850 North Academy Boulevard, Colorado Springs, El Paso County, Colorado known as Brookdale Palmer Park (the "Colorado Springs Project"). The proposed financing will include the issuance by the CTA of tax-exempt and taxable bonds in an aggregate amount not to exceed \$275,000,000 for the Project. The proceeds of the proposed bonds will be loaned to American Eagle Delaware Holding Company LLC, a Delaware limited liability company (the "Borrower"), and the nineteen single-purpose, limited liability companies wholly owned by the Borrower and formed by the development team to own and operate the Project. The Borrower is wholly owned by American Eagle LifeCare Corporation, a Tennessee not for profit corporation and an organization described in Section 501(c)(3) of the Code. The City will have no legal or fiduciary obligation to pay the bonds nor will they be reflected on the City's financial statements.

Prior to consideration of the proposed resolution, the public hearing required by Section 147(f) of the Internal Revenue Code will be conducted before the Chief Financial Officer of the City, following the publication of a notice of such public hearing in the Colorado Springs Gazette not less than fourteen (14) days prior to the date of such hearing.

Financial Implications:

N/A

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Approve the resolution solely for the purposes of Section 147(f) of the Internal Revenue Code, the issuance by the Capital Trust Agency of its Senior Living Revenue Bonds (American Eagle Portfolio Project), Series 2018, for the purpose of financing the senior living facilities herein described, one of which is located in the City and providing an effective date.

N/A