

Build NYC Resource Corporation Finance Committee Discussion

The Finance Committee convened on April 23, 2021 to discuss the following projects:

- Seton Education Partners

Finance Committee Members: Andrea Feirstein, Anthony Del Vecchio, and Jacques-Philippe Piverger
Build NYC Staff Members: Krishna Omolade, Emily Marcus, and Noah Schumer

Start: 10:00 AM

End: 10:15 AM

Seton Education Partners

Seton Education Partners, a Wyoming nonprofit corporation exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as borrower (“Seton”), which supports Brilla College Preparatory Charter Schools (“Brilla”), a New York not-for-profit corporation exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that operates a network of public charter schools which provide education services to students. Seton procures, constructs, and leases education facilities for use by Brilla. Seton is seeking authorization for the issuance of \$19,500,000 in tax-exempt and taxable bonds (the “Bonds”).

Proceeds from the Bonds will be used to (a) refinance two taxable loans in the outstanding amounts of \$600,000 and \$11,170,000, respectively, both of which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the following schools: Brilla Pax Elementary School and Brilla Caritas Elementary School (the “Leased Facility 1”); (b) refinance a taxable loan in the outstanding amount of \$2,170,000, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as a site for the following school: Brilla College Prep Middle School (the “Leased Facility 2”); (c) refinance a taxable loan in the outstanding amount of \$2,710,000, which loan financed leasehold improvements in 20,700 square feet of space in a building located at 413 E 144th Street, Bronx, NY, which currently serves as a site for Brilla College Prep Elementary School (the “Leased Facility 3” and together with the Leased Facility 1 and the Leased Facility 2, the “Leased Facilities”); (d) fund a debt service reserve fund; and (e) pay for certain costs and expenses associated with the issuance of the Bonds. The Leased Facilities are leased to Seton and subleased and operated by Brilla as the Brilla Pax Elementary School, serving students in its inaugural kindergarten class, the Brilla Caritas Elementary School, also serving students in its inaugural kindergarten class, the Brilla College Prep Middle School, serving students from grades five through eight and the Brilla College Prep Elementary School, serving students from kindergarten through grade four.

Mr. Del Vecchio asked whether the calculation for the debt service coverage ratio included the projected debt service reserve fund.

Mr. Schumer stated that the calculation was not based off of including that reserve fund, only the projected operating cash flow.

Ms. Feirstein noted that the organization had a number of taxable loans outstanding and questioned why they had chosen to approach the original financing in that regard.

Mr. Schumer responded that it was interesting the organization hadn’t originally sought tax-exempt financing.

All Committee members present expressed support for authorizing the project.

The committee recommended the Project to seek authorization at the March 9th Board meeting.



Noah Schumer
Assistant Secretary