

Introduced By: Commissioner Jeffrey W. Hall
Date of Introduction: December 19, 2023
Date of Public Hearing: January 9, 2024
Time of Public Hearing: 7:00 P.M.
Date of Adoption: January 9, 2024
Effective Date: Upon Adoption

ORDINANCE 24-01

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF
KENT COUNTY, DELAWARE, REVENUE BONDS
IN AN AMOUNT NOT TO EXCEED \$4,240,000
FOR THE BENEFIT OF ACADEMY OF DOVER CHARTER SCHOOL
TO FINANCE THE ACQUISITION
OF CERTAIN LAND AND THE FACILITIES LOCATED THEREON**

WHEREAS, the Levy Court of Kent County (the “County”) has heretofore adopted Ordinance No. 86-5, as amended, establishing procedures for the issuance by the County of Revenue Bonds (the “General Ordinance”) to encourage and assist the financing of industrial, commercial, maritime and agricultural businesses to do business, locate, remain and expand in the County resulting in increased employment opportunities and benefiting the good order of Kent County and the health, safety and welfare of its citizens;

WHEREAS, any project for any building or facility or area occupied or utilized by an enterprise providing educational services to any other person is an important inducement to industrial, commercial, maritime and agricultural businesses to do business, locate, remain and expand in the County which in time will result in increased employment opportunities in the County;

WHEREAS, Academy of Dover Charter School (the “School”) has submitted an application (the “Application”) to the County for the issuance of revenue bonds of the County, in one or more series, in the aggregate principal amount of up to \$4,240,000 (the “Bonds”) the proceeds of which would be used to (i) pay the costs of acquiring the approximately 4.8 acres of land located at 104 Saulsbury Road, Dover, Kent County, Delaware and the two existing one-story buildings located thereon, to be used as educational facilities (collectively the “Property”); (ii) pay the costs of improving and equipping the Property; (iii) fund any necessary reserves or capitalized interest on the Bonds; and (iv) pay the costs of issuance of the Bonds (collectively, the “Project”).

WHEREAS, after notice was published on the County’s website on December 29, 2023, the Levy Court held a public hearing on January 9, 2024 concerning the Project and the proposed issuance of Bonds during which all interested persons were given an opportunity to be heard and, after said hearing, the Levy Court desires to approve the Project, to make the findings and determinations set forth herein and to authorize the sale and issuance of the Bonds for the Project; and

WHEREAS, the Bonds will be issued pursuant to the terms of a Bond Purchase and Loan Agreement (the “Agreement”) by and among the County, the School and Wilmington Savings Fund Society, FSB (the “Bond Purchaser”); and

WHEREAS, in order to secure its obligations on the Bond, the County will assign to the Bond Purchaser substantially all of its rights under the Agreement, including its rights to the notes delivered by the School thereunder (the “Notes”); and

WHEREAS, the Bonds will be a limited obligation of the County payable solely from the revenues of the School under the bond documents; and

WHEREAS, the Levy Court desires to authorize the issuance, execution and delivery of the Bonds and the execution and delivery of the other documents required to accomplish the foregoing, and to authorize all other necessary action in connection with the Project and the financing thereof.

THE COUNTY OF KENT HEREBY ORDAINS (5/7ths of all of the members elected to Levy Court concurring herein);

Section 1. Findings and Approval of the Project. In connection with the Application of the School, the Levy Court hereby makes the following findings and determinations:

(a) The issuance and sale by the County of the Bonds, in one or more series, in the aggregate principal amount not to exceed \$4,240,000 in order to lend the proceeds thereof to the School for the Project:

- (i) will tend to provide or maintain employment of citizens of the County; and
- (ii) will serve a public purpose by contributing to the prosperity, health, safety and welfare of the citizens of the County as contemplated by the General Ordinance; and

(b) the Bonds will be the limited obligation of the County and the County will not pledge its full faith and credit or taxing power thereof, but the Bonds will be payable solely from the revenues of the Project and the School as set forth under the Agreement;

Based on the foregoing findings and determinations and as a substantial inducement to the School to undertake the Project, the Project is hereby determined to be eligible for financing by the County.

Section 2. Authorization of the Bonds. In order to provide funds to finance the costs of the Project and the costs of issuing the Bonds, the County shall issue its Revenue Bonds (Academy of Dover Charter School Project) Series 2024, in one or more tax-exempt or taxable series, in an aggregate principal amount not to exceed \$4,240,000 which shall mature and bear interest substantially as set forth in Exhibit A hereto. The Bonds shall be dated the date of delivery thereof, shall be issued as typewritten bonds, one for each maturity date and shall be in the name of the Bond Purchaser, as owner.

The Bonds will be a special limited obligation of the County payable solely and exclusively from the payments made by or on behalf of the School under the Agreement and out of the revenues derived from the Project and shall be secured as set forth herein. The full faith and credit or taxing power of the County or of the State of Delaware or of any other political subdivision thereof shall not be pledged for the Bonds and the Bonds shall not be a debt or liability of the State of Delaware or of any political subdivision thereof, other than the County to the limited extent provided in the Agreement.

The Bonds shall not be payable out of any funds, revenues or properties of the County other than those specifically pledged therefore.

Section 3. Authorization of Agreement; Sale of Bonds; Loan to School; Assignment to Bond Purchaser and Authorization to Proceed with Project. The County shall enter into the Agreement with the Purchaser and the School, setting forth the terms and conditions under which (i) the Bonds are to be issued by the County and purchased by the Purchaser; (ii) the proceeds of the Bonds are to be delivered to the County and applied by the County to make a loan to the School; (iii) the Notes are to be executed and delivered to the County in order to evidence the School's obligation to the County with respect to the loan and (iv) the County is to assign to the Bond Purchaser the Notes and substantially all of its rights under the Agreement. To further induce the Bond Purchaser to purchase the Bonds, the School will grant a mortgage on and security interest in the Property and such other collateral as required by the Bond Purchaser.

The School is hereby authorized to proceed with the Project in accordance with the terms of this Ordinance.

Section 4. Execution and Delivery of Documents. The County Administrator and the President of Levy Court is hereby authorized to review, approve, execute and deliver (or to accept delivery of, as the case may be), in the name of the County and on its behalf, the below listed documents, in accordance with the provisions of this Ordinance and consistent with the requirements of the Agreement and is further authorized to approve the final form thereof and to approve the exact principal amount and final terms of the Bonds, such approvals to be conclusively evidenced by the execution and delivery thereof and the Clerk of the Peace is hereby authorized to affix the seal of the County to those of the below listed documents which are executed on behalf of the County and to attest to the same.

- (a) The Agreement;
- (b) The Bonds; and
- (c) Such other documents as the County Administrator or President of Levy Court, with the advice of the County's Bond Counsel, determines to be reasonable and appropriate to complete the financing for the Project as authorized by this Ordinance including regulatory and compliance agreements relating to federal tax law requirements applicable to tax exempt financings including an arbitrage certificate.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed in the official records of the County.

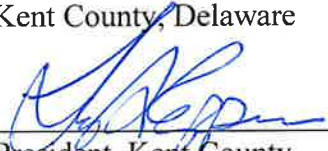
Section 5. Binding Effect of Covenants and Agreements. All covenants, obligations and agreements of the County set forth in this Ordinance and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the County to the fullest extent authorized or permitted by law.

Section 6. Further Action. The proper officers of the County are hereby authorized and directed to execute such further documents and do such further things as may be necessary or proper to carry out the intent and purposes of this Ordinance or any document herein authorized.

Section 7. Severability. In case any one or more of the provisions contained in this Ordinance or in the Bonds or in any other document executed and delivered pursuant hereto shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Ordinance or of said Bonds or other documents, and this Ordinance, said Bonds or other documents shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein or therein.


Section 8. Effective Date. This Ordinance shall be effective immediately upon its adoption.

Adopted by Levy Court of
Kent County, Delaware



President, Kent County
Levy Court

Attest:



Clerk of the Peace Deputy

This 9th day of January, 2024.

SYNOPSIS: The Ordinance authorizes the issuance of the County's revenue bonds for the benefit of Academy of Dover Charter School, in one or more series, in an aggregate principal amount not to exceed \$4,240,000, the proceeds of which would be used to (i) pay the costs of acquiring the approximately 4.8 acres of land located at 104 Saulsbury Road, Dover, Kent County, Delaware and the two existing one-story buildings located thereon, to be used as educational facilities (collectively the "Property"); (ii) pay the costs of improving and equipping the Property; (iii) fund any necessary reserves or capitalized interest on the Bonds; and (iv) pay the costs of issuance of the Bonds. The Bonds are payable solely from revenues generated by the School and the Project, and neither the full faith and credit nor taxing power of the County is pledged to the repayment of the Bonds.

EXHIBIT A

Terms of the Bonds

Series	Aggregate Principal Amount: ¹	Interest Rate	Maturity
2024A	\$3,975,000	Not to exceed 7%	Not to exceed 20 years
2024B	\$265,000	Not to exceed 7%	Not to exceed 20 years

¹ Not to exceed.