



# CREATION OF A PUBLIC FACILITY CORPORATION

RS-20-125

December 1, 2020

# Background

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- On November 17, 2020, the City Council received a briefing on the concept of a Public Facility Corporation (PFC).
- Specifically discussed in relation to a multifamily project by The NRP Group.
- Consideration of that project will be at a later date, but its viability is dependent on the PFC structure being in place.

# The PFC

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- ❑ PFCs are authorized by Chapter 303 of the Texas Local Government Code.
  - ▣ Purpose: to allow broad power to finance or to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing price.
- ❑ PFCs can also be an economic development tool.

# Process to Create a PFC

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- ❑ City Council must approve creation of the Killeen Public Facility Corporation (KPFC) and approve the certificate of formation.
  - ▣ Organized as a single-issue PFC exclusively for the purpose of supporting the NRP multifamily project
  - ▣ Shall not sell or deliver bonds
  
- ❑ Documentation is sent to the Secretary of State for filing.

# Operation of the PFC

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- ❑ PFC is a nonprofit public corporation, governed by a board of directors composed of the Mayor and City Council.
- ❑ PFC holds an organizational meeting
  - ▣ Adopt bylaws
  - ▣ Elect officers
  - ▣ Any other necessary action

# Alternatives

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- The City Council has two alternatives:
  - ▣ Authorize and approve the creation of the Killeen Public Facility Corporation
  - ▣ Do not authorize and approve the creation of the Killeen Public Facility Corporation

# Recommendation

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- Staff recommends that the City Council approve and authorize the creation of the Killeen Public Facility Corporation to act on the City's behalf and approve the Certificate of Formation.