

| Agenda Item | cover sheet

for consideration by the Apex Town Council

Item Type: NEW BUSINESS

Meeting Date: August 12, 2025

Item Details

Presenter(s): Allen Coleman, Town Clerk, and,
Andy Walsh, Associate (External Party)

Department(s): Town Clerk's Office
Parker Poe

Requested Motion

Public Hearing and possible motion to approve a Resolution approving in principle, solely for purposes of meeting the requirements of the Internal Revenue Code and for the Bonds to be Issued by the Public Finance Authority to Grace Christian School, the issuance of Educational Facilities Revenue Bonds (the "Bonds") by the Authority which in no way obligates the Town for repayment of said bonds or creates any liability to the Town.

Approval Recommended?

Yes

Item Details

Greater Raleigh Area Christian Education, Inc. d/b/a GRACE Christian School ("GRACE", or the "School") is an independent coeducational non-denominational Christian classical day school for students from Transitional Kindergarten through 12th grade. For the 2024-25 academic year, the School enrolled 909 students. The School is currently located on two campuses in southwestern Raleigh. GRACE is organized as a North Carolina non-profit corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Following an extensive analysis of the School's programing and growth opportunities, in 2022 GRACE purchased approximately 52 acres of land within the Veridea master planned community in Apex, North Carolina, which land is comprised of two contiguous parcels—one approximately 29.19 acre parcel (the "East Parcel") and another approximately 23.67 acre parcel (the "West Parcel"). The present street address is 2728 Veridea Parkway in Apex, and the East Parcel and the West Parcel are described in more detail on the slide titled "Project Legal Description."

Due to constraints imposed by the fragmented nature of its current campuses, GRACE's leadership believes that building a new, unified campus on the parcels that the School purchased (\$6.0 million in 2022) in the Town of Apex (10 miles away from its existing campuses) is the most prudent path to ensure the continued growth and long-term success of the School. Grace's existing campuses are broken apart—the Upper School campus, Lower School campus, and athletic facilities are all segregated from one another by a major highway and a road that each present a danger to students, as well as contribute to delays with morning drop-off and afternoon pick-up. The School's new campus will unify the Upper and Lower Schools, and though a two-lane road will separate this new academic space from the future athletic facilities, the School believes the crossing is much more traversable for students.

The new campus is designed to allow for the continued growth of the School (initial construction will provide a capacity of up to 1,250 students) and to improve its programmatic offering through the cross-curricular opportunities provided by unifying the School's academic space across all divisions. Additionally, GRACE believes that the new location will enhance school spirit with much-improved athletics facilities while eliminating lease expense associated with its current facilities. The demography of the chosen site, in the School's view, is highly favorable—the Apex area is affluent, a significant number of current students hail from Apex (approximately 21%), and the area currently faces a dearth of independent school offerings.

In accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, Grace Christian School request that the Town Council take the following actions:

1. That the Town Council hold a public hearing on the proposed issuance of the Bonds by the Public Finance Authority and the Project refinanced; and
2. At the conclusion of a public hearing, the Council adopt the attached resolution which:
 - a. Provides that the Bonds do not constitute a debt of the Town; nor require a pledge of the faith and credit or taxing power of the Town; nor affect the Town's debt ratios or legal debt limit; and
 - b. Provides that the Town has made no financial analysis of the Bonds, Grace Christian School or the Project being refinanced; and
 - c. Approves solely for purposes of meeting the requirements of the Internal Revenue Code of 1986, as amended, the issuance of the Bonds by the Public Finance Authority for the benefit of Grace Christian School.

Attachments

- PH7-A1: PowerPoint Presentation - Resolution - Tax Exempt Bonds related to Grace Christian School
- PH7-A2: Public Hearing Notice - Resolution - Tax Exempt Bonds related to Grace Christian School
- PH7-A3: Resolution - Tax Exempt Bonds related to Grace Christian School

