



# City of San Antonio

## Agenda Memorandum

**File Number:**

---

**Agenda Item Number:** 15

**Agenda Date:** May 9, 2024

**In Control:** City Council A Session

---

**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Approval of financing for the purposes of the Internal Revenue Code.

**SUMMARY:**

This Resolution approves the issuance by the City of Balcones Heights Cultural Education Facilities Finance Corporation, in a maximum aggregate amount of \$10,000,000 and for the purposes of Section 147(f) of the Internal Revenue Code.

**BACKGROUND INFORMATION:**

Section 147(f) of the Internal Revenue Code (the “Code”) requires that the issuance of any private activity bond obligations be approved by the applicable elected representative of the governmental unit in which the project is located after a public hearing following reasonable public notice.

The City was contacted by the City of Balcones Heights Cultural Education Facilities Finance Corporation (“Issuer”), who is acting on behalf and for the benefit of Goodwill Industries of San Antonio (the “Borrower”), a Texas nonprofit corporation and 501(c)(3) organization. The Borrower has determined that it is necessary to acquire, construct and equip the retail/warehouse facilities located at 7693 N. Loop 1604 E. in Live Oak, Texas and 11722 Quincy Lee Drive, in

City Council District 7, (the “Projects”); the Borrower has applied to the Issuer for a loan of up to \$10,000,000 to refinance debt used for the Projects and pay costs of issuance. The Projects will be owned and operated by the Borrower. A public hearing with respect to the Projects occurred on March 25, 2024, with an authorized representative of the Borrower presiding over such hearing in compliance with Section 147(f) of the Code.

No comments were received at the public hearing.

**ISSUE:**

To meet the requirements of the Code, the Borrower has requested that City Council adopt a Resolution confirming public approval of the financing in a maximum aggregate amount of \$10,000,000, all of which will be used to finance the costs of the Projects. The consideration and approval of this action is consistent with the City’s practice of providing consent for projects located in San Antonio that involve qualified institutions obtaining tax-exempt financing for capital improvement projects through conduit issuers.

**ALTERNATIVES:**

If the City does not adopt the Resolution, neither the financing nor the Project will be effectuated.

**FISCAL IMPACT:**

The Resolution does not obligate the City to pay the debt and does not obligate or create any expectations of, or liabilities for, the City. The Borrower is solely responsible for paying all debt service and other costs associated. The Borrower will pay the City an administrative fee of \$10,000 upon the adoption of the requested Resolution. The administrative fee received by the City will be deposited into the General Fund.

**RECOMMENDATION:**

Staff recommends approval of the Resolution approving the issuance by the City of Balcones Heights Cultural Education Facilities Finance Corporation for purposes of Section 147(f) of the Internal Revenue Code.