

A RESOLUTION **2022-05-05-0027R**

**APPROVING, FOR PURPOSES OF SECTION 147(F) OF THE INTERNAL REVENUE CODE, THE AMENDED AND RESTATED INDENTURE OF TRUST RELATING TO THE OUTSTANDING CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE REFUNDING BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2013A AND SERIES 2013B, PRIMARILY FOR THE PURPOSE OF MODIFYING THE INTEREST RATE FORMULA RELATED TO SUCH BONDS**

**WHEREAS**, the CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION (the "*Issuer*") is a nonprofit local government corporation created and existing under the laws of the State of Texas, including particularly Subchapter D of Chapter 431, Texas Transportation Code (the "*Act*"), to act on behalf of the CITY OF SAN ANTONIO, TEXAS (the "*City*") for the purpose of "*aiding and acting on behalf of the City to accomplish certain governmental purposes of the City, to wit: the administration of various federal tax incentives relating to the Empowerment Zone designated within the City, including but not limited to the issuance of empowerment zone facility bonds on behalf of qualified businesses within the Empowerment Zone, at the request of the City Council of the City*"; and

**WHEREAS**, the Issuer, acting on behalf of the City, issued and has outstanding the following series of "Empowerment Zone Bonds" (collectively, the "*Series 2013 Bonds*"), which were issued for the benefit of ALAMO NATIONAL BUILDING DEVELOPMENT, LP, a Missouri limited partnership (the "*Borrower*") in connection with the Borrower's acquisition and renovation of the former Alamo National Bank Building into a "Drury Hotel":

**CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE REFUNDING BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2013A**, dated as of November 1, 2013, and currently outstanding in the aggregate principal amount of \$21,900,000; and

**CITY OF SAN ANTONIO, TEXAS EMPOWERMENT ZONE DEVELOPMENT CORPORATION CONTRACT REVENUE EMPOWERMENT ZONE REFUNDING BONDS (DRURY SOUTHWEST HOTEL PROJECT), SERIES 2013B**, dated as of November 1, 2013, and currently outstanding in the aggregate principal amount of \$18,000,000; and

**WHEREAS**, the Series 2013 Bonds were issued pursuant to the provisions of an *Indenture of Trust*, dated as of November 1, 2013, between the Issuer and U.S. BANK NATIONAL ASSOCIATION, as Trustee (the "**Original Trustee**"), which was amended by the *First Amendment to Indenture of Trust*, dated as of the December 2, 2020, between the Issuer and the Original Trustee (collectively, the "**Original Indenture**"); and

**WHEREAS**, all capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Original Indenture; and

**WHEREAS**, at the request of the Borrower, on May 5, 2022, the Board of Directors of the Issuer adopted a resolution which approved and authorized the execution by the Issuer of an *Amended and Restated Indenture of Trust* and a *First Amendment to Loan Agreement* primarily for the purpose of modifying the interest rate formula for the Series 2013 Bonds contained in the Original Indenture due to the anticipated end of LIBOR being used as a world-wide interest index for variable rate instruments, as further described in the recitals and other provisions of such documents; and

**WHEREAS**, Section 147(f) of the Code requires that the issuance of any "qualified 501(c)(3) bonds" be approved by the governing body of the City, or a designee of the City, after a public hearing following reasonable public notice, and the Series 2013 Bonds are considered "qualified 501(c)(3) bonds" for purposes of Section 147(f) of the Code; and

**WHEREAS**, Bond Counsel to the Issuer relating to the Series 2013 Bonds (McCall, Parkhurst & Horton L.L.P.) has advised the Issuer, the Borrower, the Original Bank, and UMB Bank, N.A. (which will become the new owner of the Series 2013 Bonds upon the transfer and assignment thereof from the Original Bank to UMB Bank, N.A. that certain of the amendments relating to the Series 2013 Bonds being approved by the Issuer will constitute a "reissuance" of the Series 2013 Bonds under the Code; and

**WHEREAS**, in order to comply with certain requirements under Section 147(f) of the Code relating to such amendments, on April 7, 2022, the Issuer posted a notice of a public hearing relating to such amendments (the "**Public Notice**") on the City's website in an area of the website used to inform the City's residents about events and matters affecting the residents as required by Section 147(f) of the Code, and such public hearing was held on April 18, 2022, by an authorized representative of the Issuer; and

**WHEREAS**, on April 21, 2022, the Board of Directors of the Issuer adopted a resolution approving and authorizing the *Amended and Restated Indenture of Trust* and the *First Amendment to Loan Agreement*; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; and

**WHEREAS**, it is hereby deemed necessary and advisable that this Resolution be adopted; **NOW THEREFORE:**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1. SECTION 147(f) APPROVAL.** The City hereby approves, solely for the purpose of satisfying Section 147(f) of the Code, the changes to the interest rate formulas used to determine an "Index Rate" on the Series 2013 Bonds as requested by the Borrower and set forth in the *Amended and Restated Indenture of Trust*. The City shall have no liability in connection with the financing, construction or operation of the Drury Hotel financed or refinanced with the Series 2013 Bonds and shall not be required to take any further action with respect thereto.

**SECTION 2. INCORPORATION OF RECITALS.** The City hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

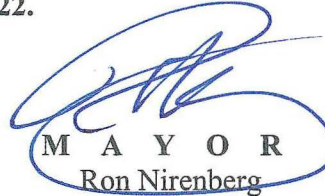
**SECTION 3. SEVERABILITY.** If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

**SECTION 4. EFFECTIVE DATE.** This Resolution shall become effective immediately upon passage by eight (8) affirmative votes. If passed by less than eight (8) affirmative votes, then this Resolution shall become effective on the tenth (10<sup>th</sup>) day following passage thereof.

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MPH  
05/05/22  
Item No. 22

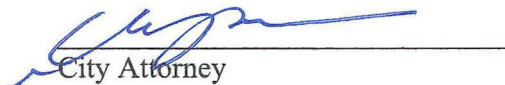
PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS ON THE 5<sup>TH</sup> DAY OF MAY, 2022.

  
M A Y O R  
Ron Nirenberg

ATTEST:

  
Debbie Racca-Sittre, Interim City Clerk

APPROVED AS TO FORM:

  
City Attorney



Signature Page to the City of San Antonio's Resolution  
Relating to Approving, for Purposes of Section 147(f) of the Internal Revenue Code, Certain Amendments Relating  
to the Outstanding City of San Antonio, Texas Empowerment Zone Development Corporation Contract Revenue  
Empowerment Zone Refunding Bonds (Drury Southwest Hotel Project), Series 2013A and Series 2013B

**CERTIFICATE FOR RESOLUTION**

I, the undersigned Interim City Clerk of the **CITY OF SAN ANTONIO, TEXAS** (the "**City**"), hereby certify as follows:

1. The City Council of the City (the "**City Council**") convened in Regular Meeting on May 5, 2022 at the designated meeting place (the "**Meeting**"), and the roll was called of the duly constituted officers and members of the City Council, to wit:

Ron Nirenberg, Mayor	Melissa Cabello Havrda, Councilmember
Mario Bravo, Councilmember	Ana Sandoval, Councilmember
Jalen McKee-Rodriguez, Councilmember	Manny Peláez, Councilmember
Phyllis Viagran, Councilmember	John Courage, Councilmember
Dr. Adriana Rocha Garcia, Councilmember	Clayton Perry, Councilmember
Teri Castillo, Councilmember	

all of the officers and members of the City Council were present, except the following absentees: NONE. Whereupon, among other business, the following was transacted at the Meeting: a written

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(the "**Resolution**") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Resolution be passed on first reading and, after due discussion, said motion carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES: 11 NOES: 0 ABSTENTIONS: 0

2. A true, full and correct copy of the Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Resolution has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Resolution would be introduced and considered for passage at the Meeting, and each of said officers and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 5<sup>th</sup> day of May, 2022.

*Debby' Roca Sotter*  
Interim City Clerk  
City of San Antonio, Texas

(Seal)



## City of San Antonio

### City Council Meeting May 5, 2022

22.

2022-05-05-0027R

Resolution approving, for purposes of Section 147(f) of the Internal Revenue Code, an Amended and Restated Indenture of Trust relating to the outstanding City of San Antonio, Texas Empowerment Zone Development Corporation Contract Revenue Empowerment Zone Refunding Bonds (Drury Southwest Hotel Project), Series 2013A and Series 2013B, primarily for the purpose of modifying the interest rate formula related to such Bonds. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Councilmember Viagran moved to Approve on the Consent Agenda. Councilmember Rocha Garcia seconded the motion. The motion carried by the following vote:

**Aye:** Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello  
Havrda, Sandoval, Pelaez, Courage, Perry