

ORDINANCE NO. 2022-06-16-__

AN ORDINANCE

REQUESTING THE CITY OF SAN ANTONIO, TEXAS PUBLIC FACILITIES CORPORATION (THE "CORPORATION") TO ISSUE UP TO \$_____ IN PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING AND IMPROVEMENT BONDS, IN ONE OR TWO SERIES, FOR THE PURPOSE OF REFUNDING ALL OF THE CORPORATION'S OUTSTANDING IMPROVEMENT AND REFUNDING LEASE REVENUE BONDS, SERIES 2012 (CONVENTION CENTER REFINANCING AND EXPANSION PROJECT) AND FINANCING IMPROVEMENTS TO A PORTION OR THE CITY'S CONVENTION CENTER FACILITIES; APPROVING THE FORM AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE APPROVAL AND EXECUTION OF A LEASE AGREEMENT AND A PURCHASE CONTRACT IN CONNECTION THEREWITH; APPROVING THE FORM OF A BOND RESOLUTION TO BE ADOPTED BY THE CORPORATION; CONSENTING TO THE EXECUTION AND DELIVERY BY THE CORPORATION OF A TRUST AGREEMENT, THE LEASE AGREEMENT, THE PURCHASE CONTRACT, AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS, ALL IN CONNECTION WITH THE ISSUANCE BY THE CORPORATION OF SUCH LEASE REVENUE BONDS; AUTHORIZING THE CORPORATION TO CALL THE REFUNDED BONDS FOR REDEMPTION; APPROVING AND AUTHORIZING THE EXECUTION BY THE CITY OF ALL OTHER DOCUMENTS AND AGREEMENTS RELATED TO THE ISSUANCE OF SUCH LEASE REVENUE BONDS; AUTHORIZING OTHER NECESSARY ACTIONS RELATING THERETO; AND PROVIDING FOR AN EFFECTIVE DATE

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "*City*"), acting as a "sponsor" within the meaning of Chapter 303, Texas Local Government Code, as amended (the "*Act*"), created the CITY OF SAN ANTONIO, TEXAS PUBLIC FACILITIES CORPORATION (the "*Corporation*"), as a nonprofit public facility corporation pursuant to the provisions of the Act to assist the City in financing, refinancing, or providing for convention center facilities (which are "public facilities" within the meaning of the Act), and facilities related thereto, at the request of the governing body of the City; and

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WHEREAS, the City currently owns and operates a convention center located in the downtown area of the City known generally as the "Henry B. Gonzalez Convention Center" (herein referred to as the "**Convention Center**"); and

WHEREAS, in addition to the Convention Center, the City owns and operates (i) the Lila Cockrell Theatre, which is 2,319-seat performing arts theatre located adjacent to the Convention Center (the "**Lila Cockrell Theatre**"), and (ii) the Alamodome, which is a 64,000-seat domed indoor multi-purpose stadium located near the Convention Center that is owned and operated by the City as a part of the City's convention, sports and entertainment facilities (the "**Alamodome**"); and

WHEREAS, the Convention Center, the Lila Cockrell Theatre, and the Alamodome are referred to collectively herein as the City's "**Convention Center Facilities**"; and

WHEREAS, for purposes of clarification, all references to the City's Convention Center Facilities in this Resolution shall not include the *Grand Hyatt San Antonio Riverwalk Hotel*, which is a full-service hotel located adjacent to the Convention Center but is owned and operated by private parties unrelated to the City; and

WHEREAS, Section 303.003(7) of the Act defines the term "public facilities" to mean "*any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed, refinanced, or provided by sponsor obligations;*" and

WHEREAS, Section 303.003(12) of the Act defines the term "sponsor obligation" to mean "*an evidence of indebtedness or obligation that a sponsor issues or incurs to finance, refinance, or provide a public facility, including bonds, notes, warrants, certificates of obligation, leases, and contracts authorized by Section 303.041 and Subchapter C;*" and

WHEREAS, the City's Convention Center Facilities are composed of real and personal property, are owned and operated by the City, and are devoted to public use, and the City is authorized to issue bonds and other obligations to finance or refinance its Convention Center Facilities under numerous laws of the State of Texas, including but not limited to Chapter 351, Texas Tax Code, Chapter 1504, Texas Government Code, and Subchapter C of Chapter 271, Texas Local Government Code; accordingly, the City's Convention Center Facilities are "public facilities" within the meaning of the Act; and

WHEREAS, Section 303.071 of the Act authorizes the Corporation to issue bonds, including refunding bonds, to finance, refinance, or provide one or more public facilities; and

WHEREAS, among numerous powers granted to the Corporation pursuant to Section 303.041 of the Act, the Corporation is specifically authorized to "*acquire title to a public facility in order to lease, convey, or dispose of the public facility to the corporation's sponsor or, on direction*

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of the sponsor and in furtherance of the sponsor's purposes, to another entity". . . to "sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of the corporation's property and other assets. . ." and to "make a contract, incur a liability, and borrow money at interest"; and

WHEREAS, pursuant to Paragraph 1, Section 3 of its City Charter, the City is authorized to *"purchase, take, hold, acquire and convey, lease, mortgage and dispose of any property whatever within the city limits" and to "acquire necessary property for sewer, sanitary, cemetery, waterworks, gas, electric light and power, and any other corporate purposes by purchase, condemnation or other means within or without the city limits, and may lease, convey and alienate the same"; and*

WHEREAS, Paragraph 14, Section 3 of its City Charter further provides that *"[t]he enumeration of particular powers and the specification of the manner of exercising the same by this Charter shall never be deemed to be exclusive nor construed as a limitation upon the general powers herein granted or upon their exercise in any other lawful manner, and in addition to the powers enumerated herein or implied thereby, or appropriate to the exercise of such powers, it is intended that the city shall have and may exercise all powers it would be competent for this Charter specifically to enumerate; and*

WHEREAS, pursuant to the *Lease Agreement Relating to the City of San Antonio, Texas Convention Center Refinancing and Expansion Project*, dated as of October 1, 2012 (the "**2012 Lease Agreement**"), entered into by and between the Corporation (pursuant to authority provided by Section 303.041 of the Act) and the City (pursuant to authority granted by its City Charter), the City (as the "Lessor" under the "Primary Lease" created under the 2012 Lease Agreement) agreed to lease the Convention Center, but not the land on which the Convention Center is located, to the Corporation (as the "Lessee" under the Primary Lease), and the Corporation agreed (as the "Sublessor" of the "Sublease" created under the 2012 Lease Agreement) to lease the Convention Center back to the City (as the "Sublessee" under the Sublease), all pursuant to the terms and conditions of the 2012 Lease Agreement and in order to provide appropriate security for the issuance of lease revenue bonds or other obligations , which include the "Series 2012 Bonds" described and defined below; and

WHEREAS, in connection with the approval of the 2012 Lease Agreement, the City Council represented and determined that it was advantageous to, and in the best interest of, the City to enter into the 2012 Lease Agreement, which is a sponsor obligation within the meaning of the Act, for the purpose of enabling the Corporation to issue bonds pursuant to the provisions of the Act that would be secured with revenues derived by the Corporation from the City pursuant to the "Sublease" included under the 2012 Lease Agreement, and the City Council further represented and determined that the approval and execution of the 2012 Lease Agreement was within the City Council's powers provided by the City Charter with respect to the acquisition and disposition of property, including Paragraphs 1 and 14 of Section 3 thereof; and

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WHEREAS, in connection with the 2012 Lease Agreement, the Corporation, at the request of the City, entered into a *Trust Agreement Relating to the City of San Antonio, Texas Convention Center Refinancing and Expansion Project*, dated as of October 1, 2012 (the "**2012 Trust Agreement**"), with **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as successor to the original thereunder - U.S. Bank National Association (the "**2012 Trustee**"), pursuant to which the Corporation, at the request of the City, issued and delivered on October 31, 2012, \$550,373,641.50 in principal amount of its *City of San Antonio, Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012 (Convention Center Refinancing and Expansion Project)* (the "**Series 2012 Bonds**") for the purpose of (i) refunding all then outstanding indebtedness issued by the City to finance or refinance the City's then existing convention center, (ii) financing the acquisition, construction and equipping of a major expansion and renovation of the then existing convention center (defined and referred to in the 2012 Trust Agreement as the "Expansion Project"), (iii) paying professional fees related to the Expansion Project, (iv) paying capitalized interest, and (v) paying costs of issuance; and

WHEREAS, the currently outstanding Series 2012 Bonds mature as (i) "current interest bonds" on September 15 in the years 2022 through 2035 and 2042 in the aggregate principal amount of \$505,345,000 (the "**Series 2012 Current Interest Bonds**"), and (ii) "capital appreciation bonds" on September 15 in the years 2035 through 2037 in the aggregate principal amount of \$29,998,641.50 and the aggregate "Maturity Amount" of \$99,495,000 (the "**Series 2012 Capital Appreciation Bonds**"), which are more fully described as follows:

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OUTSTANDING SERIES 2012 CURRENT INTEREST BONDS

<u>MATURITY (SEPT. 15)</u>	<u>PRINCIPAL AMOUNT MATURING IN YEAR (\$)</u>	<u>STATED INTEREST RATE (%)</u>	<u>CUSIP No. (796334)</u>
2022	5,540,000	5.000	AF7
2023	7,050,000	5.000	AG5
2024	8,720,000	5.000	AH3
2025	10,545,000	5.000	AJ9
2026	12,260,000	5.000	AK6
2027	15,460,000	3.000	AL4
2028	17,400,000	3.125	AM2
2029	19,460,000	5.000	AN0
2030	22,000,000	4.000	AW0
2031	24,475,000	4.000	AX8
2032	27,075,000	4.000	AY6
2033	29,910,000	4.000	AP5
2034	32,935,000	4.000	AQ3
2035	16,215,000	4.000	AR1
***	***	***	***
2042	<u>256,300,000</u>	4.000	AS9
Total	<u>505,345,000</u>	***	***

OUTSTANDING SERIES 2012 CAPITAL APPRECIATION BONDS

<u>MATURITY (SEPT. 15)</u>	<u>PRINCIPAL AMOUNT MATURING IN YEAR (\$)</u>	<u>MATURITY AMOUNT MATURING IN YEAR (\$)⁽¹⁾</u>	<u>INITIAL YIELD TO MATURITY (%)</u>	<u>CUSIP No. (796334)</u>
2035	6,498,575.10	19,930,000.00	4.960	AT7
2036	11,839,629.60	38,760,000.00	5.030	AU4
2037	<u>11,660,436.80</u>	<u>40,805,000.00</u>	5.10	AV2
Total	<u>29,998,641.50</u>	<u>99,495,000.00</u>	***	***

⁽¹⁾Equals the original principal amount of the respective Series 2012 Capital Appreciation Bonds plus interest accrued thereon and compounded from the date of original issuance to the respective maturity date.

WHEREAS, (i) pursuant to Section 5.01(a) of the 2012 Trust Agreement, the Series 2012 Current Interest Bonds maturing on and after September 15, 2023, are subject to redemption, at the request and option of the City, on September 15, 2022, or any date thereafter, at the redemption price equal to par plus accrued interest to the date of redemption, and (ii) pursuant to Section 5.01(b) of the 2012 Trust Agreement, the Series 2012 Capital Appreciation Bonds maturing on and after September 15, 2023, are subject to redemption, at the request and option of the City, on September 15, 2022, or on any "Bond Payment Date" (as defined in the 2012 Lease Agreement) thereafter, at the redemption price equal to the "Compounded Amount" (as defined in the 2012 Lease Agreement) with respect to the applicable maturity of such Series 2012 Capital Appreciation Bonds shown in the table set forth in Section 4.03(d) of the 2012 Trust Agreement; and

WHEREAS, Section 303.075 of the Act authorizes the Corporation to issue bonds "*to refund its outstanding bonds or sponsor obligations of its sponsor, including any redemption premium on them and interest accrued to the date of redemption*"; and

WHEREAS, in order to assist the City with managing its financial resources and to achieve debt service savings, the City hereby requests the Corporation to issue bonds to refund all of the Corporation's outstanding Series 2012 Bonds (referred to herein as the "**Refunded Bonds**"), as permitted by Section 303.075 of the Act, and to provide for the optional redemption on September 15, 2022, of all Refunded Bonds maturing on and after September 15, 2023; and

WHEREAS, Section 9.02(a) of the 2012 Trust Agreement provides, in pertinent part, that the Series 2012 Bonds and the interest thereon "*shall be deemed to be paid, retired and no longer outstanding . . . within the meaning of this Trust Agreement . . . when payment of the principal of such Parity Bond plus interest thereon to the due date, whether such due date be by reason of maturity or otherwise (or in the case of Capital Appreciation Bonds, the Maturity Amount or the Compounded Amount thereof, as applicable) . . . shall have been provided for on or before such due date by irrevocably depositing with or making available to the Trustee for such payment (1) lawful money of the United States of America sufficient to make such payment and/or (2) noncallable securities of the types listed in subsection (i) of the definition of Permitted Investments ("Defeasance Securities") that mature as to principal and interest in such amounts and at such times (which, in the case of a net defeasance, must be verified in writing by an independent certified public accountant) as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Corporation with the Trustee for the payment of its services until all Defeased Parity Bonds shall have become due and payable*"; and

WHEREAS, Section 9.02(c) of the 2012 Trust Agreement provides, in pertinent part, that "*[i]n the event . . . all of the Parity Bonds shall have been defeased pursuant to Section 9.02(a) hereof, and . . . if (A) all conditions precedent herein provided for relating to the satisfaction and discharge of this Trust Agreement have been complied with, (B) irrevocable and satisfactory arrangements have been made with the Trustee, and (C) all administrative expenses and amounts due or to become due hereunder shall have been paid or provided for, then . . . the right, title, and*

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interest of the Trustee and the Corporation under this Trust Agreement shall thereupon cease, terminate, and become void, and the Trustee shall assign and transfer to, or upon the order of, the City all property (in excess of the amounts required for the foregoing) then held by the Trustee (including the Lease Agreement and all payments thereunder and all balances in any fund or account created under this Trust Agreement excluding the Rebate Account) and shall execute such documents as may be reasonably required by the City in this regard"; and

WHEREAS, Section 5.01 of the 2012 Lease Agreement provides that "*[t]he Primary Lease granted under Section 3.01 hereunder shall be and remain in effect with respect to the Convention Center Facilities for a term (the "Term of the Primary Lease") commencing on the date of delivery of the Series 2012 Bonds and continuing until ten (10) years following the date of final maturity of all Parity Bonds issued to finance or refinance Convention Center Facilities or (subject to Section 10.03(f) hereof) until earlier terminated upon the occurrence of the first of the following events: (a) the payment in full of all principal and interest on all Parity Bonds at stated maturity or upon earlier redemption; or (b) the payment to the Trustee by the Sublessee of available funds in an amount, together with amounts, if any, on deposit in the Payment Account, Insurance and Condemnation Account, Redemption Account, and Project Account, that is at least equal to the Defeasance Amount for the date fixed for redemption of all Outstanding Parity Bonds"; and*

WHEREAS, Section 5.02 of the 2012 Lease Agreement provides, in pertinent part, that "*[t]he Sublease shall be and remain in effect with respect to the Convention Center Facilities for a term (the "Term of the Sublease") commencing on the date hereof and continuing until the day immediately following the date of final maturity of all Parity Bonds issued to finance or refinance Convention Center Facilities or until earlier terminated upon the occurrence of the first of the following events: (a) the termination of the Primary Lease in accordance with Section 5.01 hereof . . ."; and*

WHEREAS, Section 7.03 of the 2012 Lease Agreement provides, in pertinent part, that "*[u]pon termination of the Primary Lease in accordance with Section 5.01 hereof, . . . the Sublessee shall have no further obligations under the Sublease . . ."; and*

WHEREAS, Article XI of the Lease Agreement provides, in pertinent part, that "*. . . [u]pon termination of the Primary Lease under Section 5.01 hereof, all of the Lessee's interest in the Leasehold Estate relating to the Convention Center Facilities existing under the Primary Lease shall immediately terminate, and full unencumbered, with the exception of the Permitted Encumbrances, legal title to the Convention Center Facilities shall immediately be restored to the Lessor, and the Lessee and the Trustee shall execute and deliver to the Lessor such documents as the Lessor may request to evidence the restoration of such title to the Lessor and the termination of the Lessee's Leasehold Estate in the Convention Center Facilities and the Trustee's interest in the Trust Estate" and*

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WHEREAS, the outstanding Series 2012 Bonds are the only "Parity Bonds" issued and outstanding under the 2012 Trust Agreement; accordingly, upon the refunding of the Refunded Bonds and the deposit into the escrow fund to be established under the "Escrow Agreement" being approved by this Resolution of an amount sufficient to defease all outstanding Series 2012 Bonds in accordance with Section 9.02(a) of the 2012 Trust Agreement, (i) all Parity Bonds issued under the 2012 Trust Agreement shall be deemed to be paid, retired and no longer outstanding within the meaning of the 2012 Trust Agreement, (ii) the right, title, and interest of the 2012 Trustee and the Corporation under the 2012 Trust Agreement shall thereupon cease, terminate, and become void, (iii) the "Term of the Primary Lease" and the "Term of the Sublease" pursuant to the 2012 Lease Agreement shall terminate, (iv) the City shall have no further obligations as the Sublessee under the Sublease created pursuant to the 2012 Lease Agreement, and (v) and full unencumbered (with the exception of the "Permitted Encumbrances," if any), legal title to the Convention Center shall immediately be restored to the City as the Lessor under the Primary Lease created pursuant to the 2012 Lease Agreement; and

WHEREAS, in addition to refunding the Refunded Bonds to achieve debt service savings, the City deems it appropriate and desirable to finance certain improvements to the Convention Center and the Alamodome (collectively, the "**Improvement Projects**") up to a maximum amount of \$55,000,000; and

WHEREAS, pursuant to the powers granted to the Corporation under Section 303.041 of the Act and the powers granted to the City under its City Charter, the Corporation and the City will enter into a new *Lease Agreement Relating to the City of San Antonio, Texas Convention Center Facilities Project* (the "**Lease Agreement**"), pursuant to which the City (as the "Lessor" under the "Primary Lease" created under the Lease Agreement) will agree to lease the Convention Center Facilities (but not the land on which the Convention Center Facilities are located) to the Corporation (as the "Lessee" under the Primary Lease), and the Corporation will agree (as the "Sublessor" of the "Sublease" created under the Lease Agreement) to lease the Convention Center Facilities back to the City (as the "Sublessee" under the Sublease), all pursuant to the terms and conditions of the Lease Agreement and in order to provide appropriate security for the issuance of the Series 2022 Bonds (defined below); and

WHEREAS, in connection with the Lease Agreement, the Corporation will enter into a *Trust Agreement Relating to the City of San Antonio, Texas Convention Center Refinancing and Expansion Project* (the "**Trust Agreement**"), with _____, as trustee (the "**Trustee**"), pursuant to which the Corporation will issue up to \$_____ in principal amount of **CITY OF SAN ANTONIO, TEXAS PUBLIC FACILITIES CORPORATION REFUNDING AND IMPROVEMENT LEASE REVENUE BONDS, SERIES 2022 (CONVENTION CENTER FACILITIES PROJECT)**, in one or two Series (collectively, the "**Series 2022 Bonds**"), for the purpose of (i) refunding the Refunded Bonds, (ii) financing the acquisition, construction and equipping of the Improvement Projects, including the payment of professional fees related thereto, and (iii) paying costs of issuance; and

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WHEREAS, Section 303.039 of the Act provides that "*[i]f permitted by the articles of incorporation or bylaws, the board of directors, by resolution adopted by a majority of directors in office, may designate one or more committees consisting of two or more directors to exercise the board's authority in the management of the corporation to the extent provided by the resolution, articles of incorporation, or bylaws*"; and

WHEREAS, Section 4.2 of the Bylaws of the Corporation provides that the Board "*may, by resolution or resolutions adopted by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the Board as designated, which, to the extent permitted by law and provided in said resolution or resolutions, shall have and exercise the authority of the Board in the management of the business and affairs of the Corporation*"; and

WHEREAS, the City Council has been advised that the Board of Directors has determined that it is necessary and desirable to designate a "Pricing Committee," to be composed of the President or Vice President of the Board and any member of the Board selected by the President or Vice President, for the purpose of delegating authority to approve all final terms of the Series 2022 Bonds, upon following consultation with the Chief Financial Officer or the Deputy Chief Financial Officer of the City and the Co-Financial Advisors of the City regarding such proposed final terms;

WHEREAS, the Series 2022 Bonds are special limited obligations of the Corporation, payable solely from the "Trust Estate" (as defined in the Trust Agreement), which includes the lease payments to be made by the City to the Corporation pursuant to the Sublease, and shall never constitute an indebtedness or general obligation of the Corporation, the State of Texas, the City, or any other political subdivision of the State of Texas, within the meaning of any constitutional provision or statutory limitation whatsoever; and

WHEREAS, the Series 2022 Bonds are to be initially sold to *Piper Sandler & Co., Citigroup Global Markets, Inc., Drexel Hamilton, LLC, Morgan Stanley & Co., RBC Capital Markets LLC, SAMCO Capital Markets, Inc., Samuel A. Ramirez & Co., Inc., and Stifel Nicolaus & Company, Inc.* (collectively, the "**Underwriters**") at the price set forth in, and pursuant to the terms of, a Purchase Contract by and among the Corporation, the City and the Underwriters (the "**Purchase Contract**"); and

WHEREAS, to provide for the defeasance of the Refunded Bonds on the date of delivery of the Series 2022 Bonds, a portion of the proceeds of the Series 2022 Bonds, together with certain available funds of the Corporation and/or the City, shall be deposited into an "Escrow Fund" to be established under an Escrow Agreement by and between the Corporation and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as the "Escrow Agent" thereunder (the "**Escrow Agreement**"); and

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WHEREAS, the Lease Agreement, the Trust Agreement, the Escrow Agreement, and the resolution to be adopted by the Corporation's Board of Directors authorizing the issuance of the Bonds and approving all documents to which the Corporation is a party (the "**Bond Resolution**") have been presented to the City Council in substantially final form for approval pursuant to this Ordinance; and

WHEREAS, the City Council hereby finds and declares a public purpose and deems it advisable and in the best interests of the City (i) for the Corporation to issue the Series 2022 Bonds and use the proceeds thereof to refund the Refunded Bonds in order to achieve debt service savings, and to pay costs of issuance; (ii) to enter into the Lease Agreement and the Purchase Contract, and to consent to the Corporation's entering into the Lease Agreement, the Trust Agreement, the Escrow Agreement, the Purchase Contract, and all other documents and agreements relating to the issuance of the Series 2022 Bonds; and (iii) authorize the Corporation to call all Refunded Bonds for optional redemption on September 15, 2022; and

WHEREAS, on June 16, 2022, the Board of Directors of the Corporation is expected to approve the form and content of the Preliminary Official Statement relating to the Series 2022 Bonds and deem it "final" within the meaning of Rule 15c2-12, and the City Council of the City deems it necessary and appropriate to also approve the form and content of such Preliminary Official Statement since it contains significant and material statistical and financial information pertaining to the City; and

WHEREAS, such Preliminary Official Statement has been presented to the City Council for review and has been prepared or reviewed by representatives of the staff of the City and by the Corporation's and the City's Co-Financial Advisors and Co-Bond Counsel relating to the Series 2022 Bonds; and

WHEREAS, it is hereby further officially found and determined that the meeting at which this Ordinance was passed 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;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS:

SECTION 1. REQUEST TO CORPORATION TO ISSUE SERIES 2022 BONDS; CONSENT TO AND APPROVAL OF SERIES 2022 BONDS AND OTHER RELATED DOCUMENTS; AUTHORIZATION TO TRANSFER CERTAIN FUNDS INTO ESCROW FUND.

(a) *Request to Issue Series 2022 Bonds; Approval of Documents.* The City Council hereby formally requests the Corporation to issue the Series 2022 Bonds in order to (i) refinance public facilities for the City, specifically refinancing the Convention Center by refunding all of the Corporation's outstanding Series 2012 Bonds in order to achieve debt service savings, which will reduce the annual Lease Payments the City would otherwise pay under the 2012 Lease Agreement, if lawfully appropriated by the City Council, (ii) finance up to \$55,000,000 of the costs to acquire, construct and equip the Improvement Projects, including the payment of professional fees related thereto, and (iii) pay costs of issuance. In connection with such request, the City Council acknowledges, consents and approves (i) the issuance of the Series 2022 Bonds by the Corporation in one or two series and the execution and delivery by the Corporation of the Lease Agreement, the Trust Agreement, the Escrow Agreement, the Purchase Contract, and all other agreements deemed necessary in connection with the issuance of the Series 2022 Bonds (collectively, the "**Transaction Documents**"), and further approves the Bond Resolution to be adopted by the Board of Directors of the Corporation in substantially the form presented at this meeting.

(b) *Request to Redeem All Outstanding Series 2012 Bonds.* In satisfaction of Sections 5.01(a) and 5.01(b) of the 2012 Trust Agreement, the City Council hereby requests the Corporation to take all necessary actions to redeem on September 15, 2022, all outstanding Series 2012 Bonds maturing on and after September 15, 2023.

(c) *Authorization to Transfer Available Funds into Escrow Fund.* The Chief Financial Officer, the Deputy Chief Financial Officer, and any Assistant Director of Finance of the City, upon consultation with the City's and the Corporation's Co-Financial Advisors, are hereby authorized to use available funds of the City to make a contribution into the Escrow Fund in connection with the refunding of the Refunded Bonds in an amount deemed appropriate and to the extent such funds are not already on deposit in the Payment Account established under the Trust Agreement and contributed by the Corporation.

SECTION 2. APPROVAL OF LEASE AGREEMENT AND PURCHASE CONTRACT. The Lease Agreement is hereby approved in substantially the form presented at this meeting, and the Mayor, the City Manager or his designee, any Deputy City Manager, any Assistant City Manager, the Chief Financial Officer, and the Deputy Chief Financial Officer of the City are each authorized to approve any and all changes thereto and execute and deliver the Lease Agreement on behalf of the City, and the City Clerk of the City is authorized to attest such signature thereon, if so required. The City Council further hereby authorizes the Mayor, the City Manager or his designee, any Deputy City Manager, any Assistant City Manager, the Chief Financial Officer, and the Deputy Chief Financial Officer of the City to approve, execute, and deliver the Purchase Contract as generally described in this Ordinance, and the City Clerk of the City is authorized to attest such signature thereon, if so required. When executed and delivered upon the issuance of the Bonds, the Lease Agreement and the Purchase Contract shall become valid and binding obligations of the City in accordance with their terms.

In connection with the approval of the Lease Agreement, the City Council represents and determines that it is advantageous to, and in the best interest of, the City to enter into the Lease Agreement, which is a sponsor obligation within the meaning of the Act, for the purpose of enabling the Corporation to issue the Series 2022 Bonds pursuant to the provisions of the Act that will be secured with revenues derived by the Corporation from the City pursuant to the "Sublease" included under the Lease Agreement, and the City Council further represents and determines that the approval and execution of the Lease Agreement is within the City Council's powers provided by the City Charter with respect to the acquisition and disposition of property, including Paragraphs 1 and 14 of Section 3 thereof.

SECTION 3. APPROVAL OF FORM AND DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT. The form and content of the Preliminary Official Statement in connection with the issuance and sale of the Series 2022 Bonds is hereby approved. The Preliminary Official Statement is hereby "deemed final" as of its date (subject to the permissible omissions described in Rule 15c2-12) within the meaning of the provision of 17 C.F.R. §240.15c2-12(b)(1). The officers of the City and the Corporation's and the City's Co-Financial Advisors, Co-Bond Counsel, and the Underwriters in connection with the issuance of the Series 2022 Bonds are authorized to take all actions deemed necessary in connection with preparing for the sale of the Series 2022 Bonds, including but not limited to approving all changes deemed necessary to the Preliminary Official Statement and to print and distribute the Preliminary Official Statement to potential purchasers.

SECTION 4. APPROVAL OF FINAL OFFICIAL STATEMENT. The City Council hereby approves the preparation and distribution of the final Official Statement incorporating all final terms of the Series 2022 Bonds and other changes to the Preliminary Official Statement deemed necessary by officers of the Corporation or the City and by the Corporation's and the City's Co-Financial Advisors and Co-Bond Counsel related to the Series 2022 Bonds.

SECTION 5. AUTHORIZATION OF OTHER NECESSARY ACTIONS; DESIGNATION OF REPRESENTATIVES.

(a) Authority to Take Other Actions and Execute Other Documents. The Mayor, the City Manager, any Deputy City Manager, any Assistant City Manager, the City Clerk, the Chief Financial Officer, the Deputy Chief Financial Officer, any Assistant Director of Finance, and all other officers, employees, and agents of the City designated by the City Manager shall be and are expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the Transaction Documents, and to provide for the defeasance of the Refunded Bonds in accordance with the requirements of the 2012 Trust Agreement and the extinguishment of the 2012 Trust Agreement and the 2012 Lease Agreement in accordance with their respective requirements. In addition, prior to the initial delivery of the Series 2022 Bonds, the Mayor, the City Manager, any Deputy City Manager, any Assistant City Manager, the City Clerk, the Chief Financial Officer, the Deputy Chief Financial Officer, any Assistant Director of Finance, and all other officers of the City designated by the City Manager, and Co-Bond Counsel related to the Series 2022 Bonds are each hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to: (i) correct any ambiguity or mistake, or properly or more completely document the transactions contemplated and approved by this Ordinance; (ii) obtain the approval of the Series 2022 Bonds or any Transaction Document by the Attorney General of Texas, as required by law; and (iii) obtain the ratings contemplated in the Official Statement related to the Series 2022 Bonds.

(b) Designation of "Sublessee Representatives" and "City Representatives." The Mayor, the City Manager, any Deputy City Manager, any Assistant City Manager, the City Clerk, the Chief Financial Officer, the Deputy Chief Financial Officer, and any Assistant Director of Finance of the City are hereby authorized and designate as a "Sublessee Representative" and a "City Representative" for the purposes of the Lease Agreement and the Trust Agreement, respectively.

SECTION 6. ADDITIONAL AUTHORIZATION TO CERTAIN FINANCIAL OFFICERS. The Chief Financial Officer and the Deputy Chief Financial Officer of the City are hereby authorized to account for the issuance of the Series 2022 Bonds by the Corporation to refinance the Convention Center and to continue to account for the Lease Agreement and the Trust Agreement in connection therewith in accordance with Generally Accepted Accounting Principles (GAAP) and all applicable laws. Upon the issuance and delivery of the Series 2022 Bonds, the Chief Financial Officer and the Deputy Chief Financial Officer of the City are further authorized to amend the City's 2021-2022 annual budget, if necessary, to provide for the payment to the Corporation of all Lease Payments that will come due during the 2021-2022 fiscal year following the issuance of the Series 2022 Bonds and the refunding of the Refunded Bonds being accomplished therewith.

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SECTION 7. ENFORCEABILITY OF ORDINANCE. If any section, paragraph, clause, or provision of this Ordinance shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance. In case any obligation of the City authorized or established by this Ordinance or the Transaction Documents is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the City to the fullest extent permitted by law.

SECTION 8. INCORPORATION OF RECITALS. The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as a part of this Ordinance.

SECTION 9. EFFECTIVE DATE. This Ordinance shall be effective ten days after its passage.

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PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AT A REGULAR MEETING ON JUNE 16, 2022.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

City Attorney

(City Seal)

** ** * * *

Execution Page to City Ordinance Relating to the Issuance of
City of San Antonio, Texas Public Facilities Corporation
Lease Revenue Refunding and Improvement Bonds, Series 2022
(Convention Center Facilities Project)