

AN ORDINANCE

**BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS
APPROVING THE ISSUANCE OF A PORTION OF CERTAIN REVENUE
BONDS BY THE ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY IN SATISFACTION OF THE REQUIREMENTS
CONTAINED IN SECTION 147(f) OF THE INTERNAL REVENUE CODE
OF 1986, AS AMENDED**

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WHEREAS, the Arizona Industrial Development Authority (the “Issuer”) is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (“Arizona”), was incorporated with the approval of the Arizona Finance Authority pursuant to the provisions of the Constitution and laws of Arizona, including the Industrial Development Financing Act, Title 35, Chapter 5, Sections 35-701 et seq., Arizona Revised Statutes, as amended (the “Act”), and is empowered to issue bonds pursuant to the Act; and

WHEREAS, the Issuer intends to issue its tax-exempt and/or taxable revenue bonds (the “Bonds”) pursuant to the terms of the Act, the proceeds of which will be loaned to QCF/I, Inc., a 501(c)(3) nonprofit healthcare organization (the “Borrower”), in order to finance all or a portion of the costs of acquiring, constructing, expanding, rehabilitating, remodeling, renovating and/or equipping two behavioral health hospitals, including facilities that are functionally related and subordinate to the main hospital facilities, and funding reserves, interest on the Bonds and costs of issuing the Bonds;

WHEREAS, one such behavioral health hospitals, the San Antonio Behavioral Healthcare Hospital, is located in the City of San Antonio, Texas (the “City”) at 8550 Huebner Road, San Antonio, Texas (the “San Antonio Hospital Acquisition Project”); and

WHEREAS, the Bonds will be issued in an initial aggregate amount which will not exceed \$640,000,000 and not more than \$340,000,000 of the initial aggregate amount of the Bonds is allocable to the San Antonio Hospital Acquisition Project; and

WHEREAS, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer conducted a public hearing by toll free telephonic means accessible to the general public on December 21, 2021 (the “Hearing”), following reasonable public notice with respect to the Bonds and the San Antonio Hospital Acquisition Project and the Issuer has provided a copy of the minutes of the hearing indicating that no comments were received; and

WHEREAS, in order to satisfy the requirements of section 147(f) of the Code, it is necessary for the City Council or the Mayor of the City in which the San Antonio Hospital Acquisition Project is located to approve the Bonds allocable to the San Antonio Hospital Acquisition Project after the Hearing has been held, together with any other necessary elected official or governing body pursuant to the Code; and

WHEREAS, it is deemed necessary and advisable that this Ordinance be adopted; now, therefore,

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

SECTION 1. This Ordinance is adopted for the purposes of section 147(f) of the Code and the regulations promulgated thereunder.

SECTION 2. The portion of the Bonds allocable to the San Antonio Hospital Acquisition Project, which will be issued in a maximum aggregate principal amount not to exceed \$340,000,000, is hereby approved pursuant to section 147(f) of the Code.

SECTION 3. The approvals herein given are in accordance with the provisions of section 147(f) of the Code, and are not to be construed as any undertaking by the City, and the Bonds shall never constitute an indebtedness or pledge of the City, or the State of Texas, within the meaning of any constitutional or statutory provision, and the holders of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any part out of any funds raised or to be raised by taxation or any other revenues of the Issuer, the City, or the State of Texas, except those revenues assigned and pledged by the Issuer in the Bond Indenture to be executed by the Issuer in connection with the issuance of the Bonds.

SECTION 4. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 5. All resolutions or ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 6. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 7. 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 Issuer authorized or established by this Ordinance or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

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SECTION 8. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect ten (10) days from the date of passage.

PASSED AND ADOPTED by an affirmative vote of _____ members of the City Council of the City of San Antonio, Texas, this the ____ day of January 2022.

M A Y O R

Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Raca-Sittre, Interim City Clerk

Andrew Segovia, City Attorney