

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

**AUTHORIZING AND APPROVING THE PARTICIPATION OF
HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION
(HPARC) IN THE SMALL BUSINESS ADMINISTRATION'S PAYCHECK
PROTECTION PROGRAM (PPP) BY APPLYING FOR AND ACCEPTING
FUNDING UP TO \$187,500.00 IN THE FORM OF A POTENTIALLY
FORGIVABLE LOAN TO BE USED SUBSTANTIALLY FOR PAYROLL
COSTS RELATED TO THE CORONAVIRUS CRISIS.**

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WHEREAS, pursuant to Resolution No. 2009-08-13-0025R, passed and approved on August 13, 2009, City Council approved the creation of Hemisfair Park Area Redevelopment Corporation (HPARC); and

WHEREAS, HPARC was created to manage and revitalize the Hemisfair area in line with the vision and guiding principles outlined in its Articles of Incorporation (Articles); and

WHEREAS, on September 27, 2012, HPARC was recognized as an established 501(c)(3) non-profit corporation by the Internal Revenue Service (IRS); and

WHEREAS, Section 4(e) of the Articles requires City Council approval for HPARC to enter into any debt instruments; and

WHEREAS, as a result of the ongoing Coronavirus (COVID-19) crisis, the federal government established under the Coronavirus Aid, Relief and Economic Security Act (CARES), a Paycheck Protection Program (PPP) to assist with payroll shortfalls and other economic impacts of the crisis; and

WHEREAS, a PPP loan is designed to provide direct incentive for small businesses, including non-profit organizations, to keep their workers on payroll, and will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (at least 75% of the forgiven amount must be used for payroll); and

WHEREAS, under a PPP loan, loan payments are deferred for six months; no collateral or personal guarantees are required; and neither the government nor lenders will charge any fees; and

WHEREAS, forgiveness of the loan is based on the employer maintaining or quickly rehiring employees and maintaining salary levels, and will be reduced if full-time headcount declines, or if salaries and wages decrease; and

WHEREAS, a PPP loan has a maturity of two years and an interest rate of 1%; and

WHEREAS, on April 3, 2020 the Small Business Administration (SBA) allowed lenders to begin processing PPP loan applications, including 501(c)(3) organizations; and

WHEREAS, on April 6, 2020, HPARC applied through Frost Bank for loan consideration; and

WHEREAS, on April 16, 2020, HPARC was notified by Frost Bank that funds not to exceed \$187,500 ("Loan") have been secured and the closing of the Loan is scheduled for the week of April 20, 2020; and

WHEREAS, HPARC anticipates seeking full forgiveness of the Loan and will repay any portion of the Loan that is not forgiven using existing or future non-City revenue sources; and

WHEREAS, the City will incur no financial obligations or liabilities of any kind directly or indirectly related to acceptance of the Loan and execution of loan documents by HPARC; and

WHEREAS, on April 17, 2020, the HPARC Board of Directors, passed a resolution to authorize HPARC to participate in the PPP and designate its CEO Andres Andujar as a signature authority for the Loan documents, subject to City Council authorization; and

WHEREAS, as stated above, Section 4(e) of the Articles requires City Council approval for HPARC to enter into any debt instruments; and

WHEREAS, City Staff has recommended that City Council authorize and approve the participation of HPARC in the SBA's PPP, and also approve HPARC's application for and acceptance of the Loan; and

WHEREAS, upon full consideration of and deliberations on the City Staff's recommendation, the City Council has determined that it is in the best interests of the City and its citizens to accept such recommendation; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The participation of HPARC in the SBA's PPP, and HPARC's application for and acceptance of the Loan, is hereby authorized and approved in all things. This authorization and approval specifically includes approval for HPARC to enter into the Loan and execute any and all documents evidencing the Loan, as required by Section 4(e) of the Articles.

SECTION 2. Andres Andujar, the CEO of HPARC, is hereby approved in all things as the signature authority for HPARC on any and all applications, notes, loan documents, instruments, agreements, and other related or documentation required to evidence the Loan.

SECTION 3. *Insert Fiscal Language.*

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer (“DCFO”), City of San Antonio. The DCFO may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this ____ day of ____, 2020.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina Flores, Acting City Clerk

Andrew Segovia, City Attorney