

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

ORDINANCE

**AUTHORIZING A LOAN FUNDING AGREEMENT TO PROVIDE
FUNDING FOR THE WITTE TO PAY OFF THE LOAN WITH FROST
BANK PLUS ANY DEFERRED INTEREST BY PROVIDING
CONSIDERATION TO THE WITTE FOR ITS RETURN TO THE CITY
PREVIOUSLY TRANSFERRED REAL PROPERTY.**

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WHEREAS, on September 8, 1997, the City of San Antonio (“the City”) and the Witte entered into a Lease with Operating Standards Agreement (“the Lease”) for use and operation of the Witte Museum as a vital educational and recreational asset for the benefit of the citizens of San Antonio; and

WHEREAS, on December 15, 2016, Amendment No. 6 transferred ownership interest of the Mays Family Center, the Feik Pavilion, and the Admissions Building, excluding the parking lot, which were funded by the Witte thus allowing the Witte to secure financing to cover increased construction costs. On April 16, 2020, Amendment No. 8 transferred ownership interest of the parking lot adjacent to the Mays Family Center, the Feik Pavilion, and the Admissions Building to allow for the Witte to refinance an existing construction loan; and

WHEREAS, in October 2020, the Witte requested assistance from the City with their existing \$15.7 million construction loan (“the Loan”) with Frost Bank because their operations as well as their ability to fundraise was dramatically impacted by COVID-19. The land and most of the buildings at the Witte were used as collateral for the Loan in which operating and fundraising revenues were the projected sources of repayment; and

WHEREAS, the City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2021 (the “Certificates”) are being issued to provide funding for the Witte to pay off the Loan by providing consideration to the Witte for its return to the City of previously transferred real property. Under the Loan Funding Agreement, the Witte will be required to pay for all costs of financing (including semi-annual debt service) for the City issued debt and will also require that the debt be repaid in full before the Witte moves forward with any major future expansion; and

WHEREAS, Amendment No. 9 to the Lease will return the previously transferred real property including the Mays Family Center, the Feik Family Pavilion, the Admissions Building, and the parking lots associated with those buildings to the City; and

WHEREAS, the Lease amendment also includes the requirement for the City to have two seats on the Witte Board, of which one will be filled by appointment of the Mayor and one

SW
04/29/21
Item No. _____ B

will be ex officio filled by the City Manager or his designee;

WHEREAS, additionally, the Witte will continue to identify opportunities to assist other local art agencies in line with its current practices; **NOW THEREFORE:**

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

SECTION 1. The City Manager or designee, or the Deputy Chief Financial Officer or designee, is authorized to execute a Loan Funding Agreement with the Witte Museum for use for use in paying off its construction loan. A copy of the loan funding agreement, in substantially final form, is attached hereto and incorporated herein for all purposes as **Attachment I**.

SECTION 2. Any costs pertaining to the proposed transaction will be paid for from the proceeds derived from the issuance and sale of the Certificates and the debt service will be paid from by the Witte Museum.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this _____ th day of April, 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney

SW
04/29/21
Item No. _____ B

ATTACHMENT I

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