

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

A RESOLUTION

**APPROVING FINANCING BY ARLINGTON HIGHER EDUCATION
FINANCE CORPORATION FOR THE BENEFIT OF GREAT HEARTS
AMERICA – TEXAS FOR PURPOSES OF SECTION 147(f) OF THE
INTERNAL REVENUE CODE**

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WHEREAS, Arlington Higher Education Finance Corporation (the “*Issuer*”) was created by the City of Arlington, Texas pursuant to Chapter 53 of the Texas Education Code (the “*Act*”) and has the power, authority and rights to issue revenue notes and other obligations and loan the proceeds to an accredited or authorized charter school for the purpose of enabling such charter school to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve an educational facility or housing facility or any facility incidental, subordinate, or related to or appropriate in connection with an educational facility or housing facility, or for acquiring land to be used for those purposes, or to create operating and debt service reserves for and to pay issuance costs related to the notes or other obligations; and

WHEREAS, Great Hearts America – Texas, a Texas non-profit corporation (the “*Borrower*”), has requested that the Issuer issue, and the Issuer proposes to approve the issuance of, its Education Revenue Notes (the “*Notes*”) and to loan the proceeds of the Notes to the Borrower, pursuant to the Act and pursuant to a Tri-Party Loan Agreement among the Issuer, the Borrower, and Mutual of Omaha Bank (the “*Senior Agreement*”), a Tri-Party Loan Agreement among the Issuer, the Borrower and GHTBN, LLC, a Colorado limited liability company (the “*GHTBN Subordinate Agreement*”) and a Tri-Party Loan Agreement among the Issuer, the Borrower and GHTBN II, LLC, a Colorado limited liability company (the “*GHTBN II Subordinate Agreement*,” and, together with the Senior Agreement and the GHTBN Subordinate Agreement, the “*Tri-Party Loan Agreements*”), for the purpose of providing funds to finance and refinance the cost of acquiring, improving, constructing and equipping certain properties and facilities located in the City of San Antonio, Texas (the “*City*”) to be used by the Borrower for educational, administrative, athletic, science and classroom purposes (collectively, the “*Project*”); and

WHEREAS, the Borrower has advised the City that it will operate the Project as a charter school; and

WHEREAS, the Borrower has further advised the City that the Project will be located at or adjacent to the Northwest corner of the intersection of Legacy Hill and Research Drive in Council District 8 and that any excess proceeds may be spent as described in the Public Notice (hereinafter defined); and

WHEREAS, the Notes will be issued in one or more series pursuant to a plan of finance in an aggregate amount not to exceed \$35,000,000; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “*Code*”), requires that the plan of finance, the Notes and the Project be approved by “the applicable elected representative” of the governmental unit in which the Project is located after a public hearing following reasonable public notice; and

WHEREAS, the City Council, as an "applicable elected representative" of the City, has been requested to approve the plan of finance, the issuance of the Notes and the Project solely for purpose of complying with the requirements of Section 147(f) of the Code, and has been furnished with an affidavit of publication of notice of such hearing which was published in a newspaper of general circulation available to residents within the boundaries of the City (the “*Public Notice*”) and minutes of the public hearing conducted on July 30, 2018, in connection therewith; and

WHEREAS, the actions of the Issuer with respect to the plan of finance, the Project and the Notes (including the issuance of the Notes and the execution and delivery of the Tri-Party Loan Agreements) and the action of the City Council with respect to the matters described herein will create no liability for the City and the City Council desires to hereby approve the plan of finance, the issuance of the Notes and the Project solely for the purpose of satisfying the requirements of Section 147(f) of the Code; ***NOW THEREFORE:***

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

SECTION 1. The City Council hereby approves the plan of finance, the issuance of the Notes and the Project for the limited purposes stated herein.

SECTION 2. The authorization and approval of the plan of finance, the Notes and the Project is made for the sole purpose of satisfying the requirements of Section 147(f) of the Code, and for no other purpose and shall not be construed as a representation, warranty or other undertaking of any kind by the City or the City Council in respect of the plan of finance, the Notes or the Project. The Notes shall not constitute obligations of the City or a pledge of its faith and credit, and the City shall not be obligated to pay the Notes or the interest thereon or otherwise incur any liability in respect thereof.

SECTION 3. The Mayor and City Clerk of the City and other officers of the City are hereby authorized to execute and deliver such instruments, certificates or documents necessary or advisable to carry out the intent and purpose of this resolution.

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

PASSED AND APPROVED THIS 30TH DAY OF AUGUST, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

RN/SZ
08/30/2018
Item #

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney