

ORDINANCE NO. 2019-10-17-_____

APPROVING THE FORM, CONTENT, AND DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT PERTAINING TO THE ISSUANCE, SALE AND DELIVERY OF UP TO \$110,000,000 IN PRINCIPAL AMOUNT OF CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS IN ONE OR MORE SERIES, AND \$115,000,000 IN PRINCIPAL AMOUNT OF CITY OF SAN ANTONIO, TEXAS PASSENGER FACILITY CHARGE AND SUBORDINATE LIEN AIRPORT SYSTEM REVENUE REFUNDING BONDS IN ONE OR MORE; COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12; AUTHORIZING THE CITY'S STAFF, CO-FINANCIAL ADVISORS AND CO-BOND COUNSEL TO TAKE ALL ACTIONS DEEMED NECESSARY IN CONNECTION WITH THE SALE OF SUCH BONDS; AND AUTHORIZING A PUBLIC HEARING

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "**City**") previously issued and delivered the following obligations for the purpose of financing or refinancing certain Airport System improvements, particularly at the San Antonio International Airport:

- (i) \$82,400,000 in principal amount of its *City of San Antonio, Texas Airport System Revenue Improvement Bonds, Series 2007(AMT)* (the "**Series 2007 GARBs**");
- (ii) \$42,220,000 in principal amount of its *City of San Antonio, Texas Airport System Revenue Improvement and Refunding Bonds, Series 2010A* (the "**Series 2010A GARBs**");
- (iii) \$38,085,000 in principal amount of its *City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2005* (the "**Series 2005 PFC Bonds**");
- (iv) \$74,860,000 in principal amount of its *City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2007 (AMT)* (the "**Series 2007 PFC Bonds**"); and
- (v) \$37,335,000 in principal amount of its *City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement and Refunding Bonds, Series 2010* (the "**Series 2010 PFC Bonds**"); and

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WHEREAS, the outstanding Series 2005 PFC Bonds, Series 2007 PFC Bonds and Series 2007 GARBs (other than the Series 2007 GARBs maturing in the years 2024 and 2025) are now subject to redemption, at the option of the City, on any date; and

WHEREAS, the outstanding Series 2010A and Series 2010 PFC Bonds maturing on and after July 1, 2021 are subject to redemption, at the option of the City, on July 1, 2020, or on any date thereafter; and

WHEREAS, the City Council of the City hereby deems it necessary and desirable to issue and deliver, pursuant to applicable laws of the State of Texas, including Chapter 22, Texas Transportation Code, as amended and Chapters 1207 and 1503, Texas Government Code, as amended (collectively, the "**Act**"), up to \$110,000,000 in principal amount of revenue bonds, in one or more series, that are secured with revenues derived from the gross revenues of the City's municipal airport system (the "**Airport System**") to be designated CITY OF SAN ANTONIO, TEXAS AIRPORT SYSTEM REVENUE REFUNDING BONDS (the "**2019 GARBs**"), for the purpose of (i) refunding all or a portion of the outstanding and callable Series 2007 GARBs and Series 2010A GARBs, which are further identified in Schedule I of the Preliminary Official Statement as the "Refunded GARBs", and (ii) paying the costs of issuing the 2019 GARBs; and

WHEREAS, the City Council hereby further deems it necessary and desirable to issue and deliver, pursuant to the Act, up to \$115,000,000 in principal amount of revenue bonds, in one or more series, that are secured with revenues derived from "PFC Revenues" and "Net Revenues" of the City's Airport System to be designated CITY OF SAN ANTONIO, TEXAS PASSENGER FACILITY CHARGE AND SUBORDINATE LIEN AIRPORT SYSTEM REVENUE REFUNDING BONDS (the "**2019 PFC Bonds**") for the purpose of (i) refunding all or a portion of the outstanding and callable Series 2005 PFC Bonds, Series 2007 PFC Bonds and Series 2010 PFC Bonds, which are further identified in Schedule I of the Preliminary Official Statement as the "Refunded PFC Bonds," (ii) funding a deposit into the related debt service reserve fund, and (iii) paying the costs of issuing the 2019 PFC Bonds; and

WHEREAS, the United States Securities and Exchange Commission Rule 15c2-12, codified at 17 C.F.R. §240.15c2-12, as amended ("**Rule 15c2-12**"), requires that the Preliminary Official Statement prepared and distributed in connection with the issuance of the 2019 GARBs and the 2019 PFC Bonds (collectively referred to herein as the "**Bonds**") be "deemed final" as of its date by the City (except for the omission of no more than the information permitted by Rule 15c2-12); and

WHEREAS, such Preliminary Official Statement has been reviewed by the City Council and representatives of the City's staff; and

WHEREAS, the City Council further finds it necessary to authorize and ratify a public hearing held in connection with the issuance of the Bonds that are expected to be issued on a tax-exempt

basis in order to comply with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"), the compliance with which is required to permit the interest on such Bonds to be excludable from federal income taxation; and

WHEREAS, it is hereby 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, as amended;
NOW THEREFORE:

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

SECTION 1. APPROVAL OF FORM OF PRELIMINARY OFFICIAL STATEMENT. The form and content of the Preliminary Official Statement, attached hereto as Exhibit A, in connection with the issuance and sale of the Bonds, is hereby approved.

SECTION 2. PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL. The Preliminary Official Statement referenced above and relating to the proposed sale of the Bonds 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), as amended.

SECTION 3. AUTHORITY TO PRINT AND DISTRIBUTE THE PRELIMINARY OFFICIAL STATEMENT. The City Manager, the Aviation Director, the Chief Financial Officer, and the Deputy Chief Financial Officer of the City, and the City's Co-Financial Advisors (FTN Financial Municipal Advisors and Hilltop Securities Inc.), Co-Bond Counsel (McCall, Parkhurst & Horton L.L.P. and LM Tatum, PLLC), and the Underwriters in connection with the issuance of the Bonds are authorized to take all actions deemed necessary in connection with preparing for the sale of the Bonds, including but not limited to approving all changes deemed necessary to the Preliminary Official Statement and to print and distribute such Preliminary Official Statement to potential purchasers.

SECTION 4. PUBLIC HEARING FOR FEDERAL INCOME TAX PURPOSES. In order to comply with Section 147(f) of the Code, a public hearing is required to be held within the City in which members of the public shall be permitted to express their views with respect to the issuance of certain of the Bonds and the projects being refinanced with such Bonds. Such public hearing was held and conducted by an Assistant Finance Director of the City on October [16], 2019. Notice of such hearing was posted on the City's website no less than seven days prior to such hearing, in compliance with Section 147(f) of the Code. The City Council hereby approves and ratifies such public hearing and all actions related thereto.

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SECTION 5. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

SECTION 6. EFFECTIVE DATE. This Ordinance shall become effective ten days following its passage.

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***PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO,
TEXAS THIS 17TH DAY OF OCTOBER, 2019.***

M A Y O R

Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

Signature page to Ordinance No. 2019-10-17-____

EXHIBIT A

FORM OF PRELIMINARY OFFICIAL STATEMENT