

RESOLUTION NO. 2021-06-17-____R

APPROVING THE ISSUANCE OF UP TO \$170,000,000 IN PRINCIPAL AMOUNT OF *HIGHER EDUCATION REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2021A* AND *TAXABLE SERIES 2021B* BY THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION FOR THE UNIVERSITY OF THE INCARNATE WORD, A TEXAS NONPROFIT CORPORATION, AND APPROVING OTHER MATTERS RELATED THERETO

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "*City*"), pursuant to Section 53.35(b), Texas Education Code (now amended and recodified as Section 53A.35(b), Texas Education Code, as amended), approved and created the CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION (the "*Issuer*") as a nonprofit corporation to exercise the powers enumerated and provided in Chapter 53, Texas Education Code (now amended and recodified as Chapter 53A, Texas Education Code, as amended - the "*Act*"), for and on behalf of the City; and

WHEREAS, UNIVERSITY OF THE INCARNATE WORD (the "*University*") is a Texas non-profit corporation and operates as an "institution of higher education" (within the meaning of the Act) within the corporate limits of the City; and

WHEREAS, Section 53A.34 of the Act authorizes the Issuer to issue and execute revenue bonds or other obligations to loan or otherwise provide funds to an institution of higher education to enable an institution of higher education to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve an "educational facility" or "housing facility" (as such terms are defined in the Act) 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 bonds or other obligations; and

WHEREAS, Section 53A.331 of the Act further authorizes the Issuer to refinance any educational facility or housing facility acquired, constructed, or improved; and

WHEREAS, the University has determined that it is appropriate and prudent to defease, refund and refinance all long term indebtedness of the University (the proceeds of which were used to finance and refinance various education facilities and housing facilities of the University) to restructure its debt service requirements and modify certain financial covenants; and

WHEREAS, the University has further determined to proceed with a major renovation of the multi-story office building acquired by the University in 2019 that is located on the southwest corner of the intersection of Broadway Street and Hildebrand Avenue across from the

University's main campus and incur capital costs to construct improvements and acquire fixtures and equipment to convert the building for academic and administrative functions of the University (to be known as "**Founders Hall**") and thereafter renovate space in the University's existing Administration Building and other existing buildings on the University's main campus as certain existing groups and functions move to Founders Hall (collectively, the "**2021 Projects**"); and

WHEREAS, the City has been informed by representatives of the Issuer that the Board of Directors of the Issuer has approved a resolution (the "**Bond Resolution**," a copy of which has been filed with the City) authorizing the issuance of two series of revenue bonds for the benefit of the **UNIVERSITY OF THE INCARNATE WORD**, a Texas nonprofit corporation located in the City (the "**University**"), which bonds are further described as follows: *City of San Antonio, Texas Education Facilities Corporation Higher Education Revenue Improvement and Refunding Bonds (University of the Incarnate Word Project), Series 2021A* (the "**Series 2021A Bonds**"), and *City of San Antonio, Texas Education Facilities Corporation Higher Education Revenue Refunding Bonds (University of the Incarnate Word Project), Taxable Series 2021B* (the "**Series 2021B Bonds**"), in the aggregate principal amount not to exceed \$170,000,000 (collectively, the "**Bonds**"); and

WHEREAS, representatives of the Issuer have assured the City that the Bonds will be payable solely from revenues derived by the Issuer from the University pursuant to provisions of the Bond Resolution and a *Loan Agreement* between the Issuer and the University, and other applicable documents being entered into by the Issuer in connection with the issuance of the Bonds, and the City will have no responsibility in any manner for the payment of the debt service requirements of the Bonds; and

WHEREAS, the University is a "501(c)(3) organization," within the meaning of Section 145 of the Internal Revenue Code of 1986, as amended (the "**Code**"); and

WHEREAS, Section 147(f) of the Code requires that the issuance of any "qualified 501(c)(3) bonds" issued by the Issuer, such as the Series 2021A Bonds, be approved by the governing body of the City, or a designee of the City, after a public hearing following reasonable public notice; and

WHEREAS, on May 24, 2021, the Issuer posted notice of a public hearing relating to financing and refinancing the "2016 Projects," the "2019 Projects," and the 2021 Projects (collectively, the "**Projects**") described in the Loan Agreement (the "**Public Notice**") as required by Section 147(f) of the Code, and such public hearing was held on June 10, 2021, by the representative of the Issuer ratified and approved by this Resolution; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was adopted 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; and

WHEREAS, it is hereby deemed necessary and advisable that this Resolution be adopted; ***NOW THEREFORE***:

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

SECTION 1. APPROVING THE ISSUANCE OF THE BONDS. The City Council hereby approves the issuance by the Issuer of the Bonds described above in the aggregate principal amount not to exceed \$170,000,000 in order to obtain funds to (i) refinance educational facilities and housing facilities, and facilities incidental, subordinate, or related to or appropriate in connection therewith, that were originally financed or refinanced with proceeds of bonds and other long term indebtedness incurred by the University as described in the Bond Resolution and as further described in Exhibit A-1 and Exhibit A-2 of the Loan Agreement, (ii) finance the 2021 Projects (as further described in Exhibit A-1 of the Loan Agreement), and (iii) pay issuance costs. The City shall have no liability in connection with the financing, construction or operation of the Projects and shall not be required to take any further action with respect thereto.

SECTION 2. SECTION 147(f) APPROVAL. The City Council hereby approves, for the purposes of satisfying Section 147(f) of the Code, the Series 2021A Bonds in the principal amount not to exceed \$130,000,000, and the financing and refinancing of the Projects to be financed and refinanced with the proceeds thereof (i.e., the 2016 Projects, the 2019 Projects, and the 2021 Projects), all as described in the Public Notice. The City Council hereby ratifies and confirms Thomas K. Spurgeon with McCall, Parkhurst & Horton L.L.P., as Bond Counsel to the Issuer, as the hearing officer that conducted the Public Hearing on behalf of the Issuer.

SECTION 3. INCORPORATION OF RECITALS. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City Council hereby incorporates such recitals as a part of this Resolution.

SECTION 4. FINANCIALS. Funds generated by this Resolution will be deposited into the Education Facilities Corporation bank account.

SECTION 5. EFFECTIVE DATE. Pursuant to Article II, Section 15 of the City's Charter, this Resolution shall become effective ten days following its passage.

RKN/MPH
06/17/21
Item No. __B

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AT A REGULAR MEETING ON JUNE 17, 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney

(City Seal)

Signature Page to the Resolution of the Governmental Unit Relating to the

City of San Antonio, Texas Education Facilities Corporation
Higher Education Revenue Improvement and Refunding Bonds
(University of the Incarnate Word Project), Series 2021A
and
Higher Education Revenue Refunding Bonds
(University of the Incarnate Word Project), Taxable Series 2021B

RKN/MPH
06/17/21
Item No. __B

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTIES OF BEXAR AND COMAL §
CITY OF SAN ANTONIO, TEXAS §

I, the undersigned City Clerk of the **CITY OF SAN ANTONIO, TEXAS** (the "**City**"), hereby certify as follows:

1. The City Council (the "**City Council**") of the City convened in Regular Meeting on June 17, 2021, at the designated meeting place (the "**Meeting**"), and the roll was called of the duly constituted officers and members of the City Council to wit:

Ron Nirenberg, Mayor	Melissa Cabello Havrda, Councilwoman, District 6
_____, Council_____, District 1	Ana Sandoval, Councilwoman, District 7
_____, Councilwoman, District 2	Manny Peláez, Councilman, District 8
_____, Council_____, District 3	_____, Councilman, District 9
Dr. Adriana Rocha Garcia, Councilwoman, District 4	Clayton Perry, Councilman, District 10
_____, Council_____, District 5	

All members of the City Council were present, except the following: _____
_____, thus constituting a quorum, whereupon among other business, the following was transacted at the Meeting a written Resolution No. 2021-06-17-____R (the "**Resolution**") entitled:

RESOLUTION APPROVING THE ISSUANCE OF UP TO \$170,000,000 IN PRINCIPAL AMOUNT OF *HIGHER EDUCATION REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2021A* AND *TAXABLE SERIES 2021B* BY THE CITY OF SAN ANTONIO, TEXAS EDUCATION FACILITIES CORPORATION FOR THE UNIVERSITY OF THE INCARNATE WORD, A TEXAS NONPROFIT CORPORATION, AND APPROVING OTHER MATTERS RELATED THERETO

was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of the Resolution prevailed and carried by the following votes:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Resolution has been duly recorded in the City Council's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are duly chosen, qualified, and acting officers and members of the City Council's and duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting and each such officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice was given, all as required by Chapter 551, Texas Government Code.

RKN/MPH
06/17/21
Item No. ____B

SIGNED AND SEALED THIS 17TH DAY OF JUNE, 2021.

City Clerk
City of San Antonio, Texas

(City Seal)

Signature Page to the Certificate for Resolution Relating to the

City of San Antonio, Texas Education Facilities Corporation
Higher Education Revenue Improvement and Refunding Bonds
(University of the Incarnate Word Project), Series 2021A
and
Higher Education Revenue Refunding Bonds
(University of the Incarnate Word Project), Taxable Series 2021B