



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-3610

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**Agenda Item Number:** 25.

**Agenda Date:** 6/15/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

2010A and 2010B PNC Equipment Finance, LLC Lease Amendment

### **SUMMARY:**

This Ordinance approves amendments to the Payment Schedules for the 2010A and 2010B Exempt-Facility Master Equipment Lease-Purchase Agreement with PNC Equipment Finance, LLC; appropriates funds in the amount of \$935,592.54 from the Hotel Occupancy Tax (HOT) Redemption and Capital Reserve Fund; and \$284,308.95 from the FY 2017 Aviation Operating & Maintenance Fund related to the demolition and removal of energy efficiency equipment that was originally part of the Agreements.

### **BACKGROUND INFORMATION:**

On September 30, 2010, Ordinance No. 2010-09-30-0816 and 2010-09-30-0817 passed and approved two Tax-Exempt Master Equipment Lease/Purchase Agreements with PNCEF, LLC dba PNC Equipment Finance: 1) \$8,780,664.08 for Convention and Sports Facilities (CSF); and 2) \$3,211,418.25 for Aviation related to the financing of energy cost reduction measures for the City.

With the construction of the Convention Center Expansion Project and the Consolidated Car Rental Facility Project at the Airport, portions of the energy efficiency equipment that was originally part of each Agreement was demolished and removed. To remediate the demolished and removed energy efficiency equipment, the following payments are required to be made to PNC Equipment Finance, LLC on August 1, 2017: 1) \$935,592.54 for CSF; and 2) \$284,308.95 for Aviation.

**ISSUE:**

The proposed amendment to the payment schedules and payment authorization for demolished and equipment is consistent with previous actions to contract for these services.

**ALTERNATIVES:**

The City could elect not to amend the payment schedules or authorizing payments for demolition and removed energy efficiency equipment that was originally part of each agreement; however, the City would be out of compliance with the Agreements.

**FISCAL IMPACT:**

This ordinance appropriates funds in the amount of \$935,592.54 from the Hotel Occupancy Tax Redemption and Capital Reserve Fund. The payment in the amount of \$935,592.54 for CSF will be made from the Hotel Occupancy Tax (HOT) Redemption & Capital Reserve Fund and payment in the amount \$284,308.95 for Aviation is available from Aviation's Operating & Maintenance Fund FY 2017 Adopted Budget.

**RECOMMENDATION:**

Staff recommends approval of this ordinance approving amendments to the payment scheduled for the 2010A and 2010B Exempt-Facility Master Equipment Lease-Purchase Agreement, appropriating funds from the Hotel Occupancy Tax Redemption and Capital Reserve Fund, and authorizing payments related to the demolition and removal of energy efficiency equipment.