



City of San Antonio

Legislation Details (With Text)

File #: 18-6461

Type: Resolution

In control: City Council A Session

On agenda: 12/13/2018

Title: Resolution approving the issuance by the Capital Area Cultural Education Facilities Finance Corporation of its Revenue Note, Series 2018 (Texas Organ Sharing Alliance Project) for purposes of Section 147(f) of the Internal Revenue Code. An administrative fee of \$2,500.00, payable by TOSA, will be deposited into the General Fund in accordance with the FY 2019 Adopted Budget. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A - Minutes of Public Hearing, 2. Exhibit B - Affidavit of Public Hearing, 3. Draft Ordinance, 4. Ordinance 2018-12-13-0054R

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approval of financing for purposes of the Internal Revenue Code

SUMMARY:

This Resolution approves the issuance by the Capital Area Cultural Education Facilities Finance Corporation of its Revenue Note, Series 2018 (Texas Organ Sharing Alliance Project) (the “Note”) for purposes of Section 147 (f) of the Internal Revenue Code.

BACKGROUND INFORMATION:

Section 147(f) of the Internal Revenue Code (the “Code”) requires that the issuance of any qualified 501(c)(3) obligations (including the Note referred to above) must 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.

The City was contacted regarding the issuance of the Note by the Capital Area Cultural Education Facilities Finance Corporation for the benefit of Texas Organ Sharing Alliance (“TOSA”), a Texas nonprofit corporation and 501(c)(3) organization. TOSA will be financing through the Capital Area Cultural Education Facilities Finance Corporation the cost of acquiring, constructing, improving and equipping facilities for TOSA’s organ transplant work (with TOSA working to connect organ donors and organ recipients). TOSA is constructing a new headquarters and administrative facility at 5051 Hamilton Wolfe Road, San Antonio, Texas 78229.

A public hearing with respect to this project and the issuance of the Note was held on December 10th at 10:00 a.m. at the offices of Texas Organ Sharing Alliance, 8122 Datapoint Drive, Suite 200, San Antonio, Texas 78229 in compliance with Section 147(f) of the Code.

ISSUE:

To meet the requirements of the Code, TOSA has requested that the City Council adopt a resolution confirming public approval of this financing and the issuance of the tax exempt Note by the Corporation up to a maximum principal amount of \$5,500,000 to finance TOSA’s San Antonio project. The consideration and approval of this action is consistent with the City’s practice of providing consent for projects located within San Antonio that involve nonprofit charitable corporations obtaining tax exempt financing for capital improvement projects through conduit issuers.

ALTERNATIVES:

If the City does not adopt the resolution confirming public approval of the Note, this financing cannot be effectuated.

FISCAL IMPACT:

The resolution and the issuance of the Note do not obligate the City to pay the Note, or to take any responsibility for the TOSA project, and do not obligate or create any expectations of, or liabilities for, the City. The borrower (TOSA) is solely responsible for paying all debt service and other costs associated with the Note and the project. TOSA will pay the City an administrative fee of \$2,500 upon the adoption of the requested resolution, which will be deposited into the General Fund.

RECOMMENDATION:

Staff recommends approval of the resolution which approves issuance by the Capital Area Cultural Education Facilities Finance Corporation of its Revenue Note, Series 2018 (Texas Organ Sharing Alliance Project) for purposes of Section 147(f) of the Internal Revenue Code.