

ORDINANCE NO. 2011-06-23-0532

AN ORDINANCE

APPROVING A LEASE AGREEMENT RELATING TO THE PUBLIC SAFETY ANSWERING POINT (PSAP) CENTER AND CONSENTING TO THE EXECUTION AND DELIVERY BY THE CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION OF A TRUST AGREEMENT, A MORTGAGE, A SECURITY AGREEMENT, AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS, ALL IN CONNECTION WITH THE ISSUANCE BY THE CORPORATION OF ITS LEASE REVENUE BONDS TO FINANCE THE PSAP CENTER; APPROVING AND AUTHORIZING THE EXECUTION BY THE CITY OF ALL OTHER DOCUMENTS AND AGREEMENTS RELATED TO FINANCING THE PSAP CENTER; AUTHORIZING OTHER NECESSARY ACTIONS RELATING THERETO; AND PROVIDING FOR AN EFFECTIVE DATE.

* * * * *

WHEREAS, the CITY OF SAN ANTONIO, TEXAS (the "***City***") is authorized by Section 3 of its City Charter to lease any property within the City limits and acquire property for any corporate purpose of the City; and

WHEREAS, the City desires to construct and operate a new Fire and Police Emergency Dispatch Center consisting of a single story, approximately 40,000 square foot, state-of-the-art Communications / 9-1-1 Dispatch Center to house the San Antonio Police Department and San Antonio Fire Department emergency dispatch services, and generally referred to as the "Public Safety Answering Point" (the "***PSAP Center***"); and

WHEREAS, the City further desires to construct a parking lot to be located near the PSAP Center for joint use by the PSAP Center and the City's Emergency Operations Center (the "***Parking Lot***"); and

WHEREAS, the PSAP Center and the Parking Lot are referred to collectively herein as the "***Project***"; and

WHEREAS, the land on which the PSAP Center and a portion of the Parking Lot are to be constructed is owned by the City, and such land will be leased by the City to the Corporation through not earlier than the final maturity date of the "Bonds" defined below (currently expected to be August 15, 2041) in accordance with the terms of a Ground Lease to be entered into between the City and the Corporation (the "***Ground Lease***"); and

WHEREAS, the land on which the remaining portion the Parking Lot to be constructed currently is leased by the City from Brooks City-Base through May 31, 2104, and such land will be subleased by the City to the Corporation through not earlier than the final maturity date of the "Bonds" defined below (currently expected to be August 15, 2041) in accordance with a sublease between the City and the Corporation (the "**Sublease**") and

WHEREAS, the City created the **CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION** (the "**Corporation**") as a nonprofit local government corporation pursuant to the provisions of *Subchapter D of Chapter 431, Texas Transportation Code*, as amended (the "**Act**"), to aid and act on behalf of the City to acquire, construct, equip, finance, operate and maintain land and municipal facilities for the City at the request of the City Council of the City; and

WHEREAS, on October 7, 2010 and on June 2, 2011, the City Council of the City formally requested the Corporation to undertake the acquisition, construction and equipping of the Project on behalf of the City; and

WHEREAS, the City Council hereby finds and determines that it is in the best interest of the City to enter into that certain *Lease Agreement Relating to the City of San Antonio, Texas Public Safety Answering Point Center Project*, dated as of July 1, 2011 (the "**Lease**"), pursuant to which the Corporation will agree to construct the Project and lease the Project to the City, and the City will agree to lease the Project from the Corporation pursuant to the terms and conditions of the Lease; and

WHEREAS, the City Council hereby further finds and determines that it is in the best interest of the City to enter into the Ground Lease and the Sublease with the Corporation in form and substance approved by the City Manager or her designee in order to convey to the Corporation a real property interest in the land on which the Project will be located; and

WHEREAS, in connection with the Lease, the Corporation will enter into a *Trust Agreement Relating to the City of San Antonio, Texas Public Safety Answering Point Center Project*, dated as of July 1, 2011 (the "**Trust Agreement**"), with U.S. Bank National Association, as trustee (the "**Trustee**"), pursuant to which the Corporation will issue up to \$28,500,000 in principal amount of **LEASE REVENUE BONDS, SERIES 2011 (PUBLIC SAFETY ANSWERING POINT PROJECT)** (the "**Bonds**") for the purpose of financing a portion of the costs of the Project; and

WHEREAS, for so long as the Lease is in effect, the City will be obligated to pay lease payments to the Corporation in an amount sufficient to pay the principal of and interest on the Bonds when due under the Trust Agreement, provided, however, that the City's obligation to pay such lease payments is subject to annual appropriation by the City Council; and

WHEREAS, the Bonds are special limited obligations of the Corporation, payable solely from the "Trust Estate" (as defined in the Trust Agreement), which includes the payments to be made by the City pursuant to the Lease, and shall never constitute an indebtedness or general obligation of the Corporation, the State of Texas, the City, or any other political subdivision of the State of Texas, within the meaning of any constitutional provision or statutory limitation whatsoever; and

WHEREAS, to secure its obligations under the Trust Agreement, the Corporation will grant a First Mortgage Lien and Deed of Trust Lien on the real property portion of the Project securing the Bonds and will assign and pledge the Corporation's interest in the leases, rents, issues, profits, revenues, income, receipts, money, rights, and benefits of and from the Project to a mortgage trustee for the use and benefit of the Trustee on behalf of the owners of the Bonds, pursuant to a *Deed of Trust and Assignment of Rents and Leases*, dated as of July 1, 2011 (the "**Mortgage**"); and

WHEREAS, to further secure its obligations under the Trust Agreement, the Corporation will grant to the Trustee a first priority Security Interest in the machinery, equipment, furnishings, or other property acquired by the Corporation with the amounts deposited into the Project Account (as defined in the Trust Agreement), and substitutions or replacements therefor, in any inventory of the Corporation now or hereafter located at the Project, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Corporation's ownership and operation of the Project, pursuant to a *Security Agreement*, dated as of July 1, 2011 (the "**Security Agreement**"), between the Corporation and the Trustee; and

WHEREAS, the Bonds are to be initially sold to SAMCO Capital Markets, Inc., First Southwest Company, and Ramirez & Co., Inc. (collectively, the "**Underwriters**") at the price and pursuant to the terms of a Purchase Contract between the Corporation, the City and the Underwriters (the "**Purchase Contract**"); and

WHEREAS, the Lease, the Trust Agreement, the Deed of Trust, the Security Agreement and the Purchase Contract have been presented to the City Council in substantially final form for approval pursuant to this Ordinance; and

WHEREAS, the City Council hereby finds and declares a public purpose and deems it advisable and in the best interests of the City (i) for the Corporation to issue the Bonds and use the proceeds thereof to pay costs of issuance and finance the acquisition, construction and equipping of the Project, (ii) to approve and enter into the Lease and to consent to the Corporation's entering into the Trust Agreement, the Mortgage and the Security Agreement and all other documents and agreements relating to the issuance of the Bonds (including but not limited to a Purchase Contract with the Underwriters of the Bonds); and (iii) to approve and enter into the Ground Lease and the Sublease with the Corporation and all other documents and agreements relating to conveying to the Corporation a real property interest the land on which the Project will be located; and

WHEREAS, the Bonds are special limited obligations of the Corporation, payable solely from the Trust Estate established under the Trust Agreement, which includes the payments to be made by the City pursuant to the Lease, and shall never constitute an indebtedness or general obligation of the Corporation, the State of Texas, the City, or any other political subdivision of the State of Texas, within the meaning of any constitutional provision or statutory limitation whatsoever; and

WHEREAS, it is hereby further 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; **NOW THEREFORE:**

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

SECTION 1. APPROVAL OF THE LEASE. The Lease is hereby approved in substantially the form presented at this meeting, such approval to be evidenced by the signature thereon of the City Manager or her designee, a Deputy City Manager or an Assistant City Manager of the City. The City Manager or her designee and any Deputy City Manager or Assistant City Manager of the City is authorized to execute and deliver the Lease on behalf of the City, and the City Clerk of the City is authorized to attest such signature thereon. When executed and delivered upon the issuance of the Bonds, the Lease shall become a valid and binding obligation of the City in accordance with its terms.

SECTION 2. CONSENT TO AND APPROVAL OF BONDS AND OTHER FINANCING DOCUMENTS AND REAL ESTATE DOCUMENTS. The City Council further acknowledges, consents and approves (i) the issuance of the Bonds by the Corporation and the execution and delivery by the Corporation of the Lease, the Trust Agreement, the Mortgage, the Security Agreement, the Purchase Contract, and all other agreements deemed necessary in connection with the issuance of the Bonds (collectively, the "**Financing Documents**"), and (ii) the execution and delivery of the Ground Lease, the Sublease, and all other documents related to conveying to the Corporation a real property interest in the land on which the Project will be located in the form approved by the City Manager and the City Attorney, or their respective designees (the "**Real Property Documents**").

SECTION 3. AUTHORIZATION OF OTHER NECESSARY ACTIONS; SIGNATURES. (a) The Mayor, the City Manager, any Deputy City Manager, any Assistant City Manager, the City Clerk, the Chief Financial Officer, any Assistant Director of Finance and all other officers, employees, agents and officials of the City designated by the City Manager are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform and to take any and all action necessary to comply with the terms of the Financing Documents and the Real Property Documents, including the execution of certificates, opinions, and the other documents necessary in connection therewith.

(b) The Mayor, the City Manager, any Deputy City Manager, any Assistant City Manager, the City Clerk, the Chief Financial Officer, any Assistant Director of Finance and all other officers, employees, and agents of the City designated by the City Manager, and each of them shall be and they

are expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Financing Documents and the Real Property Documents. In addition, prior to the initial delivery of the Financing Documents and the Real Property Conveyance Documents, the Mayor, the City Manager, the Deputy City Manager, any Assistant City Manager, the City Clerk, the Chief Financial Officer, any Assistant Director of Finance and all other officers of the City designated by the City Manager, and Bond Counsel related to the Bonds are each hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to: (i) correct any ambiguity or mistake, or properly or more completely document the transactions contemplated and approved by this Ordinance; (ii) obtain the approval of the Lease, the Bonds or any other Financing Documents by the Attorney General of Texas, as required by law; and (iii) obtain the ratings contemplated in the Official Statement related to the Bonds.

(c) The Mayor, the City Manager, any Deputy City Manager, any Assistant City Manager, the City Clerk, the Deputy City Clerk, the Director of Finance, any Assistant Director of Finance and the Director of Asset Management of the City are each hereby authorized and designated as a "Lessee Representative" for the purposes of the Lease and the Trust Agreement.

SECTION 4. AUTHORIZATION TO CHIEF FINANCIAL OFFICER. The City's Chief Financial Officer is hereby authorized to account for the Lease Agreement with the Corporation, the issuance of the Bonds by the Corporation to finance the acquisition and construction of the Project, and the Trust Agreement, the Mortgage and the Security Agreement in connection therewith in accordance with Generally Accepted Accounting Principles (GAAP) and all applicable laws.

SECTION 5. ENFORCEABILITY OF ORDINANCE. If any section, paragraph, clause, or provision of this Ordinance shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance. In case any obligation of the City authorized or established by this Ordinance or the Financing Documents is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the City to the fullest extent permitted by law.

SECTION 6. INCORPORATION OF RECITALS. The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as a part of this Ordinance.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect immediately upon passage by at least (8) affirmative votes; otherwise it shall be effective ten (10) days after its passage.

MBM 6/23/11
ITEM #5B

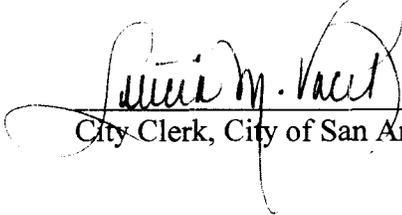
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MBM 6/23/11
ITEM #5B

PASSED AND APPROVED THIS 23RD DAY OF JUNE, 2011.


MAYOR
JULIÁN CASTRO

ATTEST:

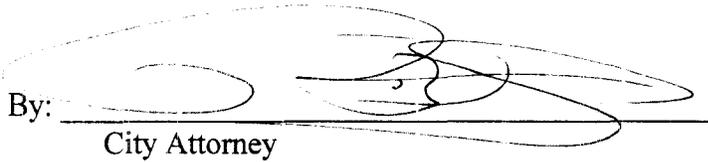


City Clerk, City of San Antonio, Texas



(CITY SEAL)

APPROVED AS TO FORM:

By: 

City Attorney

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[EXECUTION PAGE TO CITY ORDINANCE APPROVING LEASE AGREEMENT
AND OTHER FINANCING DOCUMENTS AND REAL ESTATE DOCUMENTS]



Request for
COUNCIL
 ACTION

City of San Antonio



Agenda Voting Results - 5B

Name:	5B						
Date:	06/23/2011						
Time:	09:44:34 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance approving a Lease Agreement relating to the Fire and Police Emergency Dispatch Center (also known as the Public Safety Answering Point Project or PSAP) and Consenting to the Execution and Delivery by the City of San Antonio, Texas Municipal Facilities Corporation of a Trust Agreement, a Mortgage, a Security Agreement, and All Other Related Documents and Agreements, all in Connection with the Issuance by the Corporation of its Lease Revenue Bonds to Finance the PSAP Center; Approving and Authorizing the Execution by the City of All Other Documents and Agreements Related to Financing the PSAP Center; Authorizing Other Necessary Actions Relating Thereto; and Providing for an Effective Date.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x			x	
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
Carlton Soules	District 10		x				