

A ORDINANCE **100779**

SUPPORTING AND REQUESTING THE ISSUANCE OF \$10,000,000 IN QUALIFIED TAX-EXEMPT OBLIGATIONS IN THE FORM OF INDUSTRIAL DEVELOPMENT BONDS FOR THE BENEFIT OF SOUTHWEST RESEARCH INSTITUTE, THROUGH THE CITY OF TATUM INDUSTRIAL DEVELOPMENT CORPORATION TO PARTIALLY FINANCE A \$26,000,000 APPLIED PHYSICS RESEARCH FACILITY IN SAN ANTONIO.

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WHEREAS, the Southwest Research Institute (the "Institute") is a nonprofit research corporation and a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (the "Code") and is located within the boundaries of the City of San Antonio (the "City"); and

WHEREAS, the Institute is implementing an extensive capital improvements program at their San Antonio facility and intends to undertake new construction at the site located at 6220 Culebra Road (the "Project"); and

WHEREAS, the total Project cost will be approximately \$26,000,000.00; and

WHEREAS, the Institute intends to finance the capital improvements through the issuance of \$10,000,000.00 in qualified tax-exempt industrial revenue bonds in 2005, a similar size issuance of qualified tax-exempt industrial revenue bonds in 2006, and a cash injection of approximately \$6,000,000.00 from the Institute's cash flow; and

WHEREAS, the Institute has made arrangements with the Bank of America, N.A. to finance improvements at the Institute provided the bonds to be issued are "qualified tax-exempt obligations" under Section 265 of the Internal Revenue Code, which limits the principal amount of tax-exempt bonds by a governmental issuer and its related entities, to \$10,000,000.00 per year; and

WHEREAS, the City of San Antonio and its related entities have issued or will issue more than \$10,000,000.00 in tax-exempt obligations in 2005, but the City of Tatum Industrial Development Corporation (the "Corporation"), created on behalf of the City of Tatum, Texas has agreed to issue up to \$10,000,000.00 in qualified tax-exempt obligation bonds for the benefit of the Institute in 2005; and

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

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

SECTION 1. Pursuant to Section 23(a)(1) of Article 5190.6, Vernon's Texas Civil Statutes, as amended, the City of Tatum Industrial Development Corporation (the "Corporation") is hereby requested by the City Council of the City of San Antonio to exercise its powers within the City for the purpose of financing facilities for the benefit of the Southwest Research Institute. To comply with section 147(f) of the Internal Revenue Code of 1986, as amended, Mr. M. Paul Martin of Winstead

Sechrest & Minick P.C. is hereby appointed to publish notice of and hold a public hearing with respect to the bonds, and after such public hearing the Mayor may approve the qualified tax-exempt obligation bonds to be issued by the Corporation. The City ratifies the notice published on March 18, 2005 in the San Antonio Express-News, and the hearing held on April 4, 2005 in the City by Mr. M. Paul Martin.

SECTION 2. Neither this Ordinance nor any action by the Mayor shall obligate the City of San Antonio in any way with respect to the Project or the payment or issuance of the qualified tax-exempt obligation bonds to be issued by the Corporation.

SECTION 3. The City Council of the City of San Antonio and each member of the City Council is hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Ordinance.

SECTION 4. If any provision of this Ordinance or the application hereof to any person or circumstance be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and this City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 5. It is officially found, determined, and declared that the meeting at which this Ordinance was adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 6. Funds in the amount of \$2,500.00 have been deposited in Fund 11001000, entitled "General Fund".

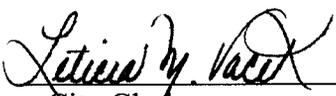
SECTION 7. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 8. This Ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this 28th day of April, 2005.



MAYOR
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney

Agenda Voting Results

Name: 20.

Date: 04/28/05

Time: 04:30:57 PM

Vote Type: Multiple selection

Description: An Ordinance supporting and requesting the issuance of \$10,000,000 in qualified tax-exempt obligations in the form of industrial development bonds for the benefit of Southwest Research Institute, through the City of Tatum Industrial Development Corporation to partially finance a \$26,000,000 Applied Physics Research Facility in San Antonio. [Presented by Ramiro A. Cavazos, Director, Economic Development; Jelynn LeBlanc Burley, Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present			
JOEL WILLIAMS	DISTRICT 2		x		
RON H. SEGOVIA	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4	Not present			
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7	Not present			
ART A. HALL	DISTRICT 8		x		
CARROLL SCHUBERT	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		