RESOLUTION NO. 20170803-011

WHEREAS, this City Council of the City of Austin, Texas ("City"), at a regular meeting of the City Council on April 20, 2017, adopted Resolution No. 20170420-005 ("Resolution No. 20170420-005") approving the resolution of the Board of Directors of Austin-Bergstrom Landhost Enterprises, Inc. ("Corporation") which authorized the issuance of Austin-Bergstrom Landhost Enterprises, Inc. Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017 in an aggregate principal amount not to exceed $60,000,000 and other matters related to the issuance of such bonds; and

WHEREAS, it is necessary and in the best interest of the City to amend and restate Resolution No. 20170420-005 in its entirety as set forth in this Resolution ("Resolution"); and

WHEREAS, the Corporation is a nonprofit public facility corporation created and existing under Chapter 303, Texas Local Government Code, as amended ("Act"), to issue revenue bonds for the purpose of financing and refinancing the cost of acquiring, improving and equipping one or more projects; and

WHEREAS, the Act and the corporate proceedings creating the Corporation authorize the Corporation to issue revenue bonds on behalf of the City, to finance and refinance the cost of a "Public Facility" within the meaning of the Act; and

WHEREAS, Section 52-a of Article III of the Texas Constitution authorizes the Texas Legislature to provide for the creation of programs and the making of loans and grants

of public money for the public purposes of development and diversification of the economy of the state, the elimination of unemployment and underemployment in the state, the stimulation of agricultural innovation, the fostering of the growth of enterprises based on agriculture, or the development or expansion of transportation or commerce in the state; and

WHEREAS, Chapter 380, Texas Local Government Code ("Chapter 380") provides that the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, under authority of Chapter 380, the City has established programs to provide for economic development grants to promote and foster economic development in the City; and

WHEREAS, in 1998, the City, as lessor, entered into a ground lease on land owned by the City at the Austin-Bergstrom International Airport ("ABIA") in connection with the proposed development and construction of a hotel ("Airport Hotel") to serve passengers and other users of ABIA and the community in general; and

WHEREAS, in connection with the construction and development of the Airport Hotel, the Corporation issued its Airport-Hotel Senior Revenue Bonds, Series 1999A ("Series 1999A Bonds") and its Airport-Hotel Subordinate Revenue Bonds, Series 1999B ("Series 1999B Bonds", and together with the Series 1999A Bonds, "Series 1999 Bonds"); and

WHEREAS, the Corporation and the City have entered into a Letter of Intent with Austin-Bergstrom Acquisition LLC, as holder of substantially all of the Series 1999 Bonds, and UMB Bank, N.A., as indenture trustee for the Series 1999 Bonds, dated July 28, 2016, as amended ("Letter of Intent"); and

WHEREAS, pursuant to the terms of the Letter of Intent, the Corporation has adopted a resolution ("Corporation Resolution") authorizing the issuance, sale and delivery of its Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017 secured by the revenues of the Airport Hotel ("Series 2017 Bonds"), pursuant to an indenture of trust between the Corporation and a bond trustee ("2017 Bond Indenture"); and

WHEREAS, pursuant to the Corporation Resolution and the 2017 Bond Indenture, the Series 2017 Bonds will be issued by the Corporation, on a date not later than December 31, 2017 in an aggregate principal amount not to exceed $60,000,000 and at a net effective interest rate not to exceed 5.75%, to refinance the Series 1999 Bonds to satisfy the Corporation's obligations to the holders of the Series 1999 Bonds, to finance capital improvements to the Airport Hotel, to fund the Senior Debt Service Reserve Fund (as such term is defined in the 2017 Bond Indenture), and to pay costs of issuing the Series 2017 Bonds (collectively, "Project"); and

WHEREAS, pursuant to this Resolution, the Corporation Resolution and the 2017 Bond Indenture, the City, as lessee, and the Corporation, as lessor, will enter into a ground lease ("Facilities Lease") on land owned by the City at the ABIA in connection with the Airport Hotel; and

WHEREAS, pursuant to the Corporation Resolution and in connection with the issuance of the Series 2017 Bonds, the Corporation seeks from the City, a commitment to provide financial assistance in the form of a grant or grants to restore the amounts on deposit in the Senior Debt Service Reserve Fund to the Senior Debt Service Reserve Fund Requirement (as such term is defined in the 2017 Bond Indenture) as provided in the 2017 Bond Indenture and pursuant to a grant agreement between the City and the Corporation ("Grant Agreement"), the form of which is attached to this Resolution; and

WHEREAS, the City has determined the issuance of the Series 2017 Bonds by the Corporation, in an aggregate principal amount not to exceed $60,000,000, and the Project are in the best interests of the City, and will promote further economic development and stimulate business and commercial activity at ABIA for the benefit of the City; and

WHEREAS, the City has determined that it would be in the best interest of the City and the general public to promote and foster economic development in the City by entering into the Grant Agreement in connection with the issuance of the Series 2017 Bonds and the financing of the Project; and

WHEREAS, in furtherance of the economic development objectives of the City, the City further determines that a program under the authority granted to the City by Chapter 380 for the redevelopment of property within the City, including property located at ABIA, and authorizing the use of City funds to assist in the economic development of the City, including through the issuance of a grant or grants of the nature described in the Grant Agreement is in the best interest of the City and the general public to promote and foster

economic development in the City; and

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

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

Section 1. The Corporation Resolution authorizing the issuance of the Series 2017 Bonds, on a date not later than December 31, 2017 in an aggregate principal amount not to exceed $60,000,000 and at a net effective interest rate not to exceed 5.75%, to finance the Project and resolving other matters related to the issuance of the Series 2017 Bonds, including the negotiation and execution of the Facilities Lease and the Grant Agreement, each in substantially the form and substance as attached to this Resolution and made a part of this Resolution for all purposes, is approved.

Section 2. The Interim City Manager or Interim Chief Financial Officer may negotiate the terms of and execute the Facilities Lease and the Grant Agreement, the forms of which are attached to this Resolution, upon the determination of the final terms and provisions as are necessary and in the best interests of the City.

Section 3. The Interim City Manager and the Interim Chief Financial Officer, and all other officers, employees and agents of the City are expressly authorized, empowered and directed to do and perform all such acts and to execute, acknowledge and deliver in the name and on behalf of the City such documents, agreements, certificates and other instruments, whether or not mentioned in this Resolution, as may be necessary or desirable in order to carry out the terms, provisions and actions provided for in this Resolution, the Facilities

Lease, the Grant Agreement and the Corporation Resolution.

Section 4. This Resolution amends, restates and supersedes Resolution No. 20170420-005 in its entirety.

Section 5. This Resolution shall be effective immediately from and after its passage.

ADOPTED: August 3, 2017

ATTEST:
Jannette S. Goodall
City Clerk