



DATE: March 12, 2026  
TO: Ted Henry, City Manger  
FROM: Bel Aire City Council  
SUBJECT: Waltons IRB

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**Summary**

The City has issued its Taxable Industrial Revenue Bonds, Series 2025B for the new Waltons facility in the City. In connection with other financing related to the facility, the Small Business Administration and an affiliated lender will take a mortgage on the facility property, and require that the mortgage and related security be superior to the obligations represented by the Industrial Revenue Bonds. To accomplish this superior lien status, the City must agree to subordinate its interests in the bond documents and facility. In this instance, because the Waltons company purchased and is the holder of the Industrial Revenue Bonds, granting such subordination does not practically impact the lien status of the City and its bonds and bond documents, as the Waltons company owes a lease payment to the City and the City owes a bond payment back to the Waltons company in the same amount, meaning the bonds and bond documents secure Waltons payments to itself.

Kevin Cowan will be at the meeting to provide more explanation and answer questions.