

BOARD BILL No. 176

INTRODUCED BY ALDERWOMAN MEGAN E. GREEN

1 **ORDINANCE RECOMMENDED BY THE BOARD OF ESTIMATE AND**
2 **APPORTIONMENT AUTHORIZING THE CITY OF ST. LOUIS,**
3 **MISSOURI, TO ASSIGN TIF REVENUES AND MUNICIPAL**
4 **REVENUES ATTRIBUTABLE TO THE SOUTHTOWN**
5 **REDEVELOPMENT AREA FOR THE PURPOSE OF PAYING THE**
6 **PRINCIPAL OF AND INTEREST ON CERTAIN BONDS TO BE ISSUED**
7 **BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY**
8 **OF ST. LOUIS, MISSOURI; AUTHORIZING THE CITY TO EXECUTE**
9 **CERTAIN DOCUMENTS RELATED THERETO; AND AUTHORIZING**
10 **AND DIRECTING THE TAKING OF OTHER ACTIONS AND**
11 **APPROVAL AND EXECUTION OF OTHER DOCUMENTS AS**
12 **NECESSARY OR DESIRABLE TO CARRY OUT AND COMPLY WITH**
13 **THE INTENT HEREOF.**

14 **WHEREAS**, The City of St. Louis, Missouri (the “*City*”) is authorized and empowered under the
15 Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the
16 Revised Statutes of Missouri, as amended (the “*TIF Act*”), to issue notes for the purpose of providing
17 funds to finance the costs of certain redevelopment projects and to pay certain costs related to the
18 issuance of such notes; and

19 **WHEREAS**, pursuant to Ordinance No. 65937 approved August 3, 2003 (the “*Approving*
20 *Ordinance*”), the City (a) approved a redevelopment plan (the “*Redevelopment Plan*”) for redevelopment
21 of a certain area within the City (the “*Redevelopment Area*”), (b) approved the redevelopment project
22 described in the Redevelopment Plan (the “*Redevelopment Project*”), (c) adopted tax increment financing
23 within the Redevelopment Area, and (d) established the “City of St. Louis, Missouri, Special Allocation
24 Fund for the Southtown Redevelopment Project” (the “*Special Allocation Fund*”); and

1 **WHEREAS**, pursuant to Ordinance No. 65938 approved August 3, 2003, the City designated
2 Southtown Realty, LLC as developer of the Redevelopment Area (the “*Developer*”), and approved the
3 execution of a Redevelopment Agreement by and between the City and the Developer dated as of
4 August 15, 2003, as amended by that First Amendment to Redevelopment Agreement dated as of
5 September 27, 2006 (together, the “*Redevelopment Agreement*”); and

6 **WHEREAS**, pursuant to the Trust Indenture dated as of November 1, 2006 (the “*Original*
7 *Indenture*”), between The Industrial Development Authority of the City of St. Louis, Missouri (the
8 “*Authority*”) and UMB Bank, N.A., as trustee (the “*Trustee*”), the Authority has issued its Tax Increment
9 Refunding Revenue Bonds, Series 2006 (Southtown Redevelopment Project), dated November 9, 2006
10 (the “*Series 2006 Bonds*”), in an aggregate principal amount of \$6,400,000, the proceeds of which were
11 used to (a) refund a portion of certain notes previously issued by the City (the “*Series 2005 Notes*”), (b)
12 fund a debt service reserve fund for the Series 2006 Bonds, and (c) pay the costs of issuance of the Series
13 2006 Bonds; and

14 **WHEREAS**, pursuant to **Section 5.4** of the Redevelopment Agreement and **Section 202(h)** of
15 Ordinance 65972, the City has issued its Tax-Exempt Subordinate Tax Increment Revenue Notes, Series
16 2006 (Southtown Redevelopment Project) dated November 9, 2006, in the principal amount of
17 \$992,395.41 (the “*Series 2006 Tax-Exempt Notes*”) and its Taxable Subordinate Tax Increment Revenue
18 Notes, Series 2006 (Southtown Redevelopment Project), dated November 9, 2006, in the principal
19 amount of \$1,341,602.58 (the “*Series 2006 Taxable Notes*” and, together with the Series 2006 Tax-
20 Exempt Notes, the “*Series 2006 Notes*”) for the purpose of refunding the portions of the Series 2005
21 Notes not refunded by the Series 2006 Bonds, thereby paying a portion of the Redevelopment Project
22 Costs (as defined in the Redevelopment Agreement) in connection with the Redevelopment Plan; and

23 **WHEREAS**, the Board of Directors of the Authority will consider a resolution authorizing the
24 issuance of up to \$7,000,000, aggregate principal amount of Tax Increment Refunding Revenue Bonds,
25 Series 2014 (Southtown Redevelopment Project) (the “*Bonds*”) pursuant to the Original Indenture and the

1 First Amended and Supplemental Trust Indenture dated by and between the Authority and the Trustee
2 (the “*First Supplemental Indenture*” and, together with the Original Indenture, the “*Indenture*”) for the
3 purpose of providing funds to (1) refund the Series 2006 Bonds and a portion of the Series 2006 Notes, (2) fund
4 a debt service reserve for the Bonds, and (3) pay the costs of issuance of the Bonds; and

5 **WHEREAS**, the Board of Aldermen of the City hereby finds that it is advisable, necessary and in
6 the best interests of the City to refund the Series 2006 Bonds and a portion of the Series 2006 Notes with
7 the proceeds of the Bonds, and to direct the TIF Revenues and Municipal Revenues (as hereinafter
8 defined) to payment of the principal of and interest on the Bonds.

9 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

10 **Section 1. Definitions.** Capitalized terms used herein and not otherwise defined in this
11 Ordinance or the preambles hereto shall have the meanings ascribed to such terms in the Indenture. As
12 used in this Ordinance, the following words shall be defined as follows:

13 “*Collection Agent*” means the Department of Revenue of the State of Missouri, its successors
14 and assigns.

15 “*Collection Fee*” means an amount up to one percent (1%) of the TDD Sales Taxes, which may
16 be charged by the Collection Agent for the cost of collecting the TDD Sales Taxes.

17 “*District*” means The Southtown Transportation Development District.

18 “*Economic Activity Tax Revenues*” means, subject to annual appropriation by the City as
19 provided in the TIF Act, fifty percent of the total additional revenues from taxes imposed by the City or
20 other taxing districts (as that term is defined in Section 99.805 of the TIF Act) which are generated by
21 economic activities within the Redevelopment Area over the amount of such taxes generated by economic
22 activities within the Redevelopment Area in the calendar year ending December 31, 2002, but excluding
23 therefrom any taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and
24 motels, licenses, fees or special assessments, other than payments in lieu of taxes, personal property taxes,

1 and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised
2 Statutes of Missouri, as amended.

3 **“Financial Advisor”** means Public Financial Management, Inc., the financial advisor to the City
4 with respect to the Bonds.

5 **“Monitor,”** to the extent required pursuant to the Bond Documents (as defined below), means a
6 third party as directed in writing by the Underwriter to monitor, on a monthly basis, the revenues received
7 by the Trustee, including all PILOTs, EATs, Municipal Revenues, and TDD Revenues and who shall
8 provide monthly reports to the Trustee, the City, and the Underwriter verifying the amounts of PILOTs,
9 EATs, Municipal Revenues, and TDD Revenues collected and deposited with the Trustee during the
10 previous calendar month.

11 **“Municipal Revenues”** means, while tax increment financing remains in effect and, subject to
12 annual appropriation, the total additional revenue from taxes, penalties and interest that do not otherwise
13 constitute TIF Revenues under the Indenture, and which are imposed by the City and are generated by
14 economic activities within the Redevelopment Area over the amount of such taxes generated by economic
15 activities within the Redevelopment Area in the calendar year ended December 31, 2002, but excluding
16 personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of
17 hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as
18 amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the
19 Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in
20 lieu of taxes and penalties and interest thereon.

21 **“Payments in Lieu of Taxes”** means those payments in lieu of taxes (as defined in
22 Sections 99.805(11) and 99.845 of the TIF Act), if any, attributable to the increase in the current
23 equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the
24 Redevelopment Area over and above the certified total initial equalized assessed valuation of the real
25 property in the Redevelopment Area, as provided for by Section 99.845 of the TIF Act.

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1 “*Special Allocation Fund*” means the City of St. Louis Special Allocation Fund for the
2 Southtown Redevelopment Project created within the Treasury of the City in accordance with
3 Section 99.845 of the TIF Act and the TIF Ordinance.

4 “*TDD Revenues*” means all revenues of the TDD Sales Tax (less the District’s reasonable
5 operating costs, not to exceed \$15,000 each calendar year and less the Collection Fee), payable
6 semiannually that have been appropriated by the District to the payment of the Bonds, but not including
7 (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer and
8 (ii) any sum received by the District which is the subject of a suit or other claim communicated to the
9 District, which suit or claim challenges the collection of such sum.

10 “*TDD Sales Tax*” means the transportation development district sales tax authorized by Section
11 238.235 of the TDD Act and imposed by the District at a rate of one percent (1.0%) effective December
12 1, 2005, on all retail sales made in the District which are subject to taxation pursuant to the provisions of
13 Sections 144.010 to 144.525, inclusive, of the Revised Statutes of Missouri, as amended, with certain
14 exceptions listed in the TDD Act.

15 “*TIF Revenues*” means: (1) all Payments in Lieu of Taxes and (2) Economic Activity Revenues
16 which have been appropriated by the City to the payment of the Bonds. TIF Revenues do not include any
17 such amount paid under protest until the protest is withdrawn or resolved against the taxpayer, nor do
18 TIF Revenues include any sum received by the City which is the subject of a suit or other claim
19 communicated to the City, which suit or claim challenges the collection of such sums or their payment to
20 the holder of the Bonds or its successors in interest.

21 “*Underwriter*” means Stifel, Nicolaus & Company, Incorporated, as representative of the initial
22 purchaser of the Bonds, and its successors or assigns.

23 **Section 2. Findings and Determinations.** The Board of Aldermen hereby finds and
24 determines that it is necessary and in the best interests of the City (a) to authorize and direct the Authority
25 to issue, if market conditions warrant, the Bonds to (i) refund the Series 2006 Bonds and a portion of the

1 Series 2006 Notes, (ii) fund a debt service reserve for the Bonds, and (iii) pay the costs of issuance of the
2 Bonds, and (b) to enter into (i) a First Amended Financing Agreement with the Authority (which
3 agreement amends that certain Financing Agreement dated as of November 1, 2006, between the
4 Authority and the City (the “*Original Financing Agreement*”) for purposes of directing the TIF
5 Revenues, Municipal Revenues and TDD Revenues to payment of the Bonds (the “*First Amended*
6 *Financing Agreement*” and, together with the Original Financing Agreement, the “*Financing*
7 *Agreement*”); (ii) a Continuing Disclosure Agreement among the City, UMB Bank, N.A., as
8 dissemination agent, and the District, for purposes of providing information for the benefit of the owners
9 and beneficial owners of the Bonds and in order to assist the Underwriter in complying with the
10 requirements of the rules of continuing disclosure (the “*Disclosure Agreement*”); and (iii) the Tax
11 Compliance Agreement among the City, the Authority and the Trustee, pertaining to the use and
12 investment of the proceeds of the Bonds and the establishment and maintenance of the tax-exempt status
13 thereof (the “*Tax Agreement*” and, collectively with the First Amended Financing Agreement and the
14 Disclosure Agreement, the “*Bond Documents*”).

15 **Section 3. Authority and Direction to Issue the Bonds.** The City hereby authorizes and
16 directs the Authority, if market conditions warrant, to issue the Bonds on behalf of the City for the
17 purposes set forth in Section 2 hereof. The Bonds shall be secured by a transfer, pledge, and assignment
18 of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the
19 Bonds, as provided in the Indenture. The terms and provisions of the Bonds shall be as provided in the
20 Indenture.

21 **Section 4. Nature of Obligations.** The Bonds and the interest thereon shall not constitute
22 an indebtedness of the City, the Authority, the District, the State of Missouri, or any political subdivision
23 thereof within the meaning of any constitutional or statutory debt limitation or restriction. The City has
24 authorized and requested that the Authority designate the Bonds as special, limited obligations of the
25 Authority. The obligation of the City to make payments of Economic Activity Tax Revenues and

1 Municipal Revenues is subject to annual appropriation pursuant to Section 4 hereof. The taxing power of
2 the City is not pledged to the payment of the Bonds either as to principal or interest or to the payment of
3 TIF Revenues under any financing agreement related thereto.

4 **Section 5. Authority and Direction to Execute and Deliver Authority Documents.** In
5 connection with the issuance of the Bonds, the City hereby authorizes and directs the Authority to execute
6 and deliver the First Supplemental Indenture, the First Amended Financing Agreement, the Tax
7 Compliance Agreement, and the Purchase Contract between the Authority and the Underwriter
8 (collectively, the “*Authority Documents*”), in forms that are consistent with the provisions of this
9 Ordinance, and as such Authority Documents are approved by the City Counselor and, with the advice of
10 the Underwriter and the Financial Advisor, the appropriate officers of the Authority executing such
11 documents, with the respective signatures of such officers thereon to be evidence of the approval of the
12 Authority.

13 **Section 6. Authority and Direction to Sell the Bonds in a Negotiated Sale.** In
14 connection with the issuance of the Bonds, the City hereby authorizes and directs the Authority to
15 negotiate the sale thereof with the Underwriter, subject to the provisions of this Ordinance. The City
16 further hereby authorizes and directs the Authority to prepare, at the request of the Underwriter, the
17 official statement with respect to the Bonds (the “*Official Statement*”); to execute and deliver the final
18 Official Statement; and to execute and deliver the Purchase Contract and any and all related documents,
19 all in connection with such negotiated sale of the Bonds.

20 **Section 7. Appropriating, Pledging and Assigning of Certain Revenues.** The City
21 hereby pledges to transfer all Payments in Lieu of Taxes and, subject to annual appropriation, all
22 Economic Activity Tax Revenues and Municipal Revenues to the Trustee in accordance with the
23 Financing Agreement. The City covenants and agrees that the officer of the City at any time charged with
24 the responsibility of formulating budget proposals is hereby directed to include in the budget proposal
25 submitted to the Board of Aldermen of the City for each fiscal year that the Bonds are outstanding a

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1 request for an appropriation of the Economic Activity Tax Revenues on deposit in the Special Allocation
2 Fund and all Municipal Revenues.

3 **Section 8. Reporting of Revenue Data.** To the extent required by the Bond Documents,
4 the City hereby authorized appropriate officers of the City to provide to the Monitor with respect to the
5 Redevelopment Area (a) on a monthly basis, a report of all sales tax revenues (that are Economic
6 Activity Tax Revenues) received for the previous month; (b) on a monthly basis, a report on all Municipal
7 Revenues received for the previous month; and (c) on a quarterly basis, a report of all Economic Activity
8 Tax Revenues (that are not sales tax revenues) and Payments in Lieu of Taxes received for the previous
9 quarter. In addition, to the extent required by the Bond Documents, the City hereby authorized
10 appropriate officers of the City to cooperate with the Monitor for verification of calculations and deposits
11 of the TIF Revenues.

12 **Section 9. Authority and Direction to Execute and Deliver City Documents.** The City
13 hereby authorizes and directs the Mayor and the Comptroller of the City to execute and deliver the Bond
14 Documents in forms that are consistent with the provisions of this Ordinance, as such Bond Documents
15 are approved by the Mayor and the Comptroller with the advice of the Underwriter and the Financial
16 Advisor, and as are approved as to form by the City Counselor, with the respective signatures of such
17 officials thereon to be evidence of the approval of the City; and the Register of the City is hereby
18 authorized and directed to affix the corporate seal of the City to the Bond Documents and to attest the
19 same.

20 **Section 10. Authorization with Respect to Sale of the Bonds.** The Mayor, the
21 Comptroller, and other appropriate officers, agents, and employees of the City are hereby authorized and
22 directed to participate with the Authority in the preparation of the Official Statement. The Mayor and the
23 Comptroller are hereby authorized and directed to execute and deliver the final Official Statement in a
24 form that is consistent with the provisions of this Ordinance, as is approved by the Mayor and the
25 Comptroller with the advice of the Underwriter and the Financial Advisor, and as is approved as to form

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1 by the City Counselor, with the respective signatures of the Mayor and the Comptroller thereon to be
2 evidence of the approval of the City.

3 **Section 11. Further Authority.** The Mayor, the Comptroller, the Treasurer (as to permitted
4 investments only), the Register, and other appropriate officers, agents, and employees of the City are
5 hereby authorized to take such further actions and execute such other documents as may be necessary or
6 desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and
7 perform the duties of the City with respect to the City Documents, and the Official Statement.

8 **Section 12. Severability.** It is hereby declared to be the intention of the Board of Aldermen
9 that each and every part, section and subsection of this Ordinance shall be separate and severable from
10 each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt
11 each said part, section and subsection separately and independently of any other part, section and
12 subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or
13 to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and
14 remain in full force and effect, unless the court making such finding shall determine that the valid
15 portions standing alone are incomplete and are incapable of being executed in accord with the legislative
16 intent.

17 **Section 13. Construction.** In the event of any inconsistency between the provisions of this
18 Ordinance and the provisions of any prior ordinances, the provisions of this Ordinance shall prevail.

19 **Section 14. Governing Law.** This Ordinance shall be governed exclusively by and
20 construed in accordance with the applicable laws of the State of Missouri without reference to its conflict
21 of laws principles.