

BOARD BILL NO. #216

INTRODUCED BY ALDERMAN TERRY KENNEDY

1 An ordinance recommended by the Board of Estimate and Apportionment pertaining to,
2 and providing for the issuance of obligations payable under an annually renewable lease
3 agreement, authorizing and directing the execution and delivery, in one or more series, of lease
4 certificates of participation obligations of the City of St. Louis, Missouri (the “City”), evidencing
5 interests in the right to receive rentals to be made by the City pursuant to an annually renewable
6 lease agreement (the “Series 2015 Obligations”) in an aggregate principal amount of not to
7 exceed \$5,500,000 in order to refinance and refund all or a portion of the St. Louis Municipal
8 Finance Corporation Lease Certificates of Participation (City of St. Louis, Missouri, Lessee)
9 Series 2008 (the “Series 2008 Obligations”) outstanding in the principal amount of \$5,455,000
10 (the “Refunded Bonds”), funding a debt service reserve account and paying costs of issuance of
11 the Series 2015 Obligations including credit enhancement fees, if any, all for the general welfare,
12 safety and benefit of the citizens of the City; authorizing the creation of and continuation of a
13 lien and security interest by the Corporation in a leasehold interest in the premises leased
14 (“Leased Premises”) under a Supplemental Lease Agreement between the City and the
15 Corporation, to secure payment of the Series 2015 Obligations and/or to secure payment of
16 obligations due to the Credit Provider (as hereafter defined), if any, authorizing and directing the
17 officers of the Corporation to execute and deliver the Supplemental Indenture of Trust, the
18 Supplemental Lease Agreement, the Official Statement, the Purchase Agreement, the Continuing
19 Disclosure Agreement and the Escrow Agreement; authorizing the obtaining of credit
20 enhancement, if any, for the Series 2015 Obligations from a Credit Provider (as defined below),
21 authorizing the payment of any obligations due to a Credit Provider, if any, and authorizing the

1 Comptroller and any other appropriate City officials, if necessary, to execute any Credit
2 Agreement, as defined below, or other documents related thereto; authorizing the execution of an
3 annually renewable lease agreement between the City and the St. Louis Municipal Finance
4 Corporation (the “Corporation”); authorizing participation of appropriate City officials in
5 preparing the preliminary Official Statement and final Official Statement for the Series 2015
6 Obligations, and the acceptance of the terms of a Purchase Agreement for the Series 2015
7 Obligations and the taking of further actions with respect thereto; and authorizing and directing
8 the taking of other actions, and approval and execution of other documents as necessary or
9 desirable to carry out and comply with the intent hereof; and containing a severability clause.

10 WHEREAS, the St. Louis Municipal Finance Corporation (the “Corporation”) previously
11 authorized and issued on September 18, 2008, its Series 2008 Obligations in the original
12 principal amount of \$9,100,000 for the purpose of refunding the Land Clearance for
13 Redevelopment Authority of the City of St. Louis, Kiel Site Lease Revenue Refunding Bonds,
14 Series 1997A and Kiel Site Lease Revenue Refunding Bonds, Series 1997B, pursuant to a Trust
15 Indenture dated as of September 1, 2008 between the Corporation and UMB Bank, N.A. as
16 trustee (the “Original Indenture”); and

17 WHEREAS, following the issuance of the Series 2008 Obligations, such Series 2008
18 Obligations were the only outstanding series of bonds under the Original Indenture; and

19 WHEREAS, because of current interest rates, and potential present value savings
20 resulting from the issuance of refunding bonds at current rates, the City has determined that it is
21 in the best interest of the City to provide for the execution and delivery of the Series 2015
22 Obligations in one or more series for the purpose of refunding the Refunded Bonds through a
23 negotiated sale and provide for the redemption and defeasance of the Refunded Bonds; and

1 WHEREAS, the City and the LCRA have heretofore entered into the Master Lease and
2 the LCRA has heretofore transferred and conveyed to the Corporation all of its right, title and
3 leasehold interest in the premises encumbered by the Master Lease pursuant to the Assignment
4 and Assumption of Master Lease Agreement dated as of September 1, 2008, between the LCRA
5 and the Corporation; and

6 WHEREAS, the Corporation and the City have previously supplemented and amended
7 the Lease Financing Agreement dated as of September 1, 2008 (the “Original Lease”) in order to
8 release and remove the opera house property from the Leased Premises, by instrument dated
9 June 29, 2010; and

10 WHEREAS, the Corporation will lease such premises back to the City for consecutive
11 one-year terms, subject to annual appropriation by the City of rental payments (“Rentals”) in
12 amounts necessary to pay the principal component and interest component on the Series 2015
13 Obligations; and

14 WHEREAS, in connection with the issuance of Credit Enhancement, the City may be
15 required to execute a Leasehold Deed of Trust and Security Agreement in favor of a Credit
16 Provider; and

17 WHEREAS, it is necessary and desirable in connection with the delivery of the Series
18 2015 Obligations for the City and/or the Corporation to execute and deliver certain documents,
19 including the Supplemental Indenture of Trust, the Supplemental Lease Agreement, a Leasehold
20 Deed of Trust and Security Agreement, if necessary, a Continuing Disclosure Agreement, a
21 Credit Agreement, if any, the Official Statement, a Purchase Agreement and the Escrow
22 Agreement; and that the City and the Corporation execute certain other documents, take certain
23 other actions and approve certain other documents, as herein provided.

1 **NOW THEREFORE, BE IT ORDAINED BY THE CITY OF ST. LOUIS AS**
2 **FOLLOWS:**

3 **Section 1. Definitions.** Capitalized terms used herein and not defined in this Ordinance
4 shall have the meanings ascribed to such terms in the Indenture, as amended and supplemented.
5 As used in this Ordinance, the following words shall be defined as follows:

6 “Assignment and Assumption of Master Lease Agreement dated as of September 1, 2008
7 between the LCRA and the City.

8 “Board of Aldermen” means the Board of Aldermen of the City.

9 “City” means the City of St. Louis, Missouri.

10 “Corporation” means the St. Louis Municipal Finance Corporation.

11 “Cost” or “Costs” means all costs associated with the refunding of the Refunded Bonds,
12 and all reasonable and necessary expenses of or incidental to the Project directly or indirectly
13 payable or reimbursable by the Corporation and costs reasonable, necessary and related to the
14 authorization, sale and issuance of Series 2015 Obligations, including but not limited to legal,
15 organizational, marketing and other special services; financial advisory and underwriting fees
16 and expenses and any other fees and expenses incurred including the costs of Credit
17 Enhancement, if any; filing and recording fees; initial fees and charges of the Trustee; expenses
18 of feasibility studies; title insurance policies and all other reasonable, necessary and incidental
19 expenses.

20 “Credit Agreement” means any agreement, if necessary, by and among the Credit
21 Provider, the City and the Corporation providing for Credit Enhancement.

22 “Credit Enhancement” means a letter of credit, liquidity facility, a surety bond or bond
23 insurance policy or policies, issued by a Credit Provider guaranteeing, providing for or insuring

1 the payment of all or a portion of the principal component and interest component of the Rentals
2 payable on one or more series of Obligations as provided therein. The Credit Enhancement (i)
3 shall be obtained from a Credit Provider that has a credit rating such that the City, in the opinion
4 of the Underwriters, will derive an economic benefit if such Obligations are secured by the
5 Credit Enhancement, (ii) shall be provided pursuant to the Credit Agreement providing for
6 repayment to the Credit Provider of payments with terms and conditions approved by the Mayor
7 and Comptroller, as evidenced by their execution thereof with the advice as to form of the City
8 Counselor and attested by the Register and (iii) shall be obtained at a fee, payable in a lump sum
9 or periodically, which shall provide an economic benefit to the City.

10 “Credit Provider” means the issuer or issuers of any Credit Enhancement, if any, pursuant
11 to the Credit Agreement and identified in the Indenture.

12 “Escrow Agreement” means the Escrow Agreement among the City, the Corporation and
13 the escrow agent provided therein.

14 “LCRA” means the Land Clearance for Redevelopment Authority of the City of St.
15 Louis, a body corporate and politic of the State of Missouri.

16 “Master Lease Agreement” means the Amended and Restated Master Lease between the
17 LCRA and the City, dated as of November 2, 1992, pursuant to which the City has conveyed a
18 leasehold interest in the Master Lease Premises (defined therein) to the LCRA and the City has
19 agreed to make certain payments, subject to annual appropriation, equal to the principal and
20 interest due on the Refunded Bonds during each fiscal year of the City.

21 “Obligation” or “Obligations” means collectively the Series 2015 Obligations to be
22 delivered under the Indenture.

1 “Official Statement” means the preliminary or final Official Statement or Official
2 Statements prepared in connection with the issuance, sale and delivery of the Series 2015
3 Obligations.

4 “Purchase Agreement” means the Purchase Agreement related to the delivery and sale of
5 the Series 2015 Obligations.

6 “Project” means the refunding of the Refunded Bonds.

7 “Refunded Bonds” means the outstanding Series 2008 Obligations to be refunded with
8 proceeds of the Series 2015 Obligations.

9 “Rentals” means the Rentals as defined under the Indenture.

10 “Series 1997A Bonds” means the Land Clearance for Redevelopment Authority of the
11 City of St. Louis Kiel Site Lease Revenue Refunding Bonds, Series 1997A (Series 1997A)
12 issued in the original principal amount of \$7,170,000, of which none are outstanding.

13 “Series 1997B Bonds” means the Land Clearance for Redevelopment Authority of the
14 City of St. Louis Kiel Site Lease Revenue Refunding Bonds, Series 1997B (Series 1997B) issued
15 in the original principal amount of \$6,435,000, of which none are outstanding.

16 “Series 2008 Obligations” means all or a portion of the outstanding St. Louis Municipal
17 Finance Corporation Lease Certificates of Participation (City of St. Louis, Missouri, Lessee)
18 Series 2008 issued in the original principal amount of \$9,100,000.

19 “Series 2015 Obligations” means the Series 2015 Obligations authorized pursuant to the
20 Indenture.

21 “Supplemental Indenture” means the Supplemental Indenture of Trust (the “Indenture”)
22 supplementing the Indenture of Trust dated as of September 1, 2008, each by and between the
23 Corporation and the Trustee, pursuant to which the Series 2015 Obligations shall be issued and

1 the Corporation has pledged and assigned the rents, revenues and receipts received pursuant to
2 the Supplemental Lease Agreement to the Trustee for the benefit of and security of the holders of
3 the Series 2015 Obligations upon the terms and conditions as set forth therein.

4 “Supplemental Lease Agreement” means the Supplemental Lease Agreement
5 supplementing the Lease Financing Agreement dated as of September 1, 2008, each between the
6 City and the Corporation, pursuant to which the City will lease the Leased Premises, together
7 with any improvements thereon, from the Corporation and agree to pay Rentals subject to annual
8 appropriation, sufficient to pay the principal component and interest component of Rentals due
9 on the Series 2015 Obligations each fiscal year of the City and any other amounts due under the
10 Supplemental Lease Agreement.

11 “Treasurer” means the Treasurer of the City.

12 **Section 2. Findings and Determinations.** The Board of Aldermen hereby finds and
13 determines as follows:

14 (a) It is in the best interest of the City to authorize and direct the execution and
15 delivery of the Series 2015 Obligations (i) to refund all or a portion of the
16 Refunded Bonds, (ii) to fund a debt service reserve fund, if necessary, and (iii) to
17 pay reasonable expenses incurred by the Corporation and the City in connection
18 with the issuance and sale of the Series 2015 Obligations, pursuant to the
19 Supplemental Indenture and in accordance with the Supplemental Lease
20 Agreement and the Purchase Agreement.

21 (b) The delivery of the Series 2015 Obligations, and the sale and delivery thereof
22 through a negotiated sale of the Series 2015 Obligations, to refund the Refunded

1 Bonds is necessary and desirable for the City and is for the use and benefit of the
2 City.

3 (c) In connection with the refunding of the Refunded Bonds and to achieve interest
4 cost savings resulting from the refunding of the Refunded Bonds, it is necessary
5 to enter into a Supplemental Indenture and Supplemental Lease Agreement.

6 (d) The City shall have the beneficial possession and use of the Leased Premises, and
7 so long as an Event of Default (as such term is defined in the Supplemental
8 Indenture and the Supplemental Lease Agreement) shall not have occurred and
9 there shall have been no failure to appropriate funds to pay the Rentals, the City
10 will have the beneficial possession and use of the Leased Premises while the
11 Series 2015 Obligations remain outstanding. Upon provision for payment of the
12 Series 2015 Obligations, the City will obtain from the Corporation conveyance of
13 its leasehold interest in the Leased Premises without demand or further action on
14 its part as provided in the Supplemental Lease Agreement.

15 (e) The City will make the payment of Rentals provided for in the Supplemental
16 Lease Agreement, subject to annual appropriation.

17 **Section 3. Authority and Direction to Issue the Series 2015 Obligations.** The City
18 hereby authorizes and directs the execution and delivery of Refunding Lease Certificates of
19 Participation (Kiel Site Lease, City of St. Louis, Missouri, Lessee) Series 2015, in an aggregate
20 principal amount not to exceed \$5,500,000 (the “Series 2015 Obligations”) on behalf of the City
21 for the purposes set forth in Section 2 hereof. The Series 2015 Obligations (i) shall have a final
22 maturity not later than July 1, 2021, (ii) shall bear interest at such variable interest rate or fixed
23 interest rate as the City reasonably expects will achieve an economic benefit to the City, and if

1 fixed, at a rate of interest of not more than 6%, and (iii) may be sold at a premium or at a
2 discount with such discount not to exceed the maximum discount allowable under Missouri law.
3 The Series 2015 Obligations may be issued as current interest or capital appreciation obligations.
4 The terms and provisions of the Series 2015 Obligations shall be as provided in the Indenture.

5 **Section 4. Limited Obligations.** The Series 2015 Obligations and the interest thereon
6 shall be limited obligations payable by the Corporation solely from (i) the Rentals received by
7 the Corporation from the City or received by the Trustee on behalf of the Corporation and
8 reasonably expected to be used to pay debt service on the Series 2015 Obligations pursuant to the
9 Supplemental Lease Agreement and any amounts payable by any Credit Provider, if any, in
10 connection with any Credit Enhancement on the Series 2015 Obligations. The taxing power of
11 the City is not pledged to the payment of the Series 2015 Obligations either as to principal
12 component or interest component of Rentals under the Supplemental Lease Agreement. The
13 Series 2015 Obligations and the interest component thereon shall not constitute an indebtedness
14 of the City or State of Missouri within the meaning of any constitutional or statutory debt
15 limitation or restriction. The obligation of the City to make payments of Rentals and other
16 amounts under the Supplemental Lease Agreement is subject to annual appropriation as provided
17 therein. The obligation of the City to make such payments under the Supplemental Lease
18 Agreement or the Series 2015 Obligations shall not constitute a debt of the City. The issuance of
19 the Series 2015 Obligations will not directly or contingently obligate the City to make any
20 payments beyond those appropriated for its then current fiscal year. Notwithstanding anything
21 herein to the contrary, the Series 2015 Obligations shall be issued in a form provided in the
22 Indenture and under such terms as shall ensure and maintain the security and tax-exempt status
23 of the Series 2015 Obligations.

1 **Section 5. Authority and Direction to Sell the Series 2015 Obligations in a**
2 **Negotiated Sale.** In connection with the delivery of the Series 2015 Obligations, the City is
3 hereby authorized and the City directs the Corporation to cooperate and participate in negotiating
4 the sale thereof with the underwriters, subject to the provisions of this Ordinance. The City
5 further hereby authorizes and directs the Corporation to participate in preparing, at the request of
6 the underwriters, the preliminary Official Statement and the final Official Statement, to execute
7 and deliver the final Official Statement and to execute and deliver the Purchase Agreement, in
8 connection with such negotiated sale of the Series 2015 Obligations.

9 **Section 6. Authority and Direction to Obtain Credit Enhancement.** The City hereby
10 authorizes and directs the Corporation to obtain Credit Enhancement for the Series 2015
11 Obligations from a Credit Provider with such credit rating that, in the opinion of the
12 Underwriters and the financial advisor, will achieve an economic benefit for the City if the Series
13 2015 Obligations are secured by such Credit Enhancement. Any Credit Agreement executed in
14 connection therewith may pledge Rentals on a parity basis to payment of (i) debt service on the
15 Series 2015 Obligations and (ii) any amounts due and owing to the Credit Provider under the
16 Credit Agreement. The Comptroller is hereby authorized to approve the terms of any agreement
17 for Credit Enhancement with the Credit Provider, and the Comptroller, with the advice of the
18 City Counselor as to form thereof, is hereby authorized and directed to execute such agreement
19 for Credit Enhancement and other documents in connection therewith as required to obtain the
20 Credit Enhancement.

21 **Section 7. Authority and Direction to Execute and Deliver Corporation Documents.**
22 In connection with the issuance of the Series 2015 Obligations, the City hereby authorizes and
23 directs the Corporation, to approve the terms of and to execute, seal, attest and deliver the

1 Supplemental Indenture, the Supplemental Lease Agreement, a Leasehold Deed of Trust and
2 Security Agreement, if necessary, the Purchase Agreement, the Credit Agreement, if any, and
3 the Escrow Agreement and such other documents, certificates and instruments as may be
4 necessary or desirable to facilitate the issuance of the Series 2015 Obligations and to carry out
5 and comply with the intent of this Ordinance (collectively the “Corporation Documents”) in such
6 form as shall be approved by the City Counselor and by the appropriate officers of the
7 Corporation executing such documents, such officers’ signatures thereon being conclusive
8 evidence of their approval thereof. The Corporation is hereby authorized to create or continue a
9 lien and security interest in its rights, title and leasehold interest in any real and personal property
10 related to the Leased Premises to secure payment of the Series 2015 Obligations and/or to secure
11 obligations due to any Credit Provider under any Credit Agreement.

12 **Section 8. Authorization and Direction to Execute and Deliver City Documents.**

13 The City is hereby authorized to enter into, and the Mayor and the Comptroller and such other
14 officers of the City as are appropriate are hereby authorized and directed to execute, seal, attest
15 and deliver, for and on behalf of and as the act and deed of the City, the Supplemental Lease
16 Agreement, the Purchase Agreement, a Continuing Disclosure Agreement, the Credit
17 Agreement, if any, the Escrow Agreement, and the Leasehold Deed of Trust, if necessary, and
18 such other documents, certificates and instruments as may be necessary or desirable to facilitate
19 the issuance of the Series 2015 Obligations and to carry out and comply with the intent of this
20 Ordinance (collectively the “City Documents”) in such form as shall be approved by the City
21 Counselor and by the appropriate officers of the City executing such documents, such officers’
22 signatures thereon being conclusive evidence of their approval thereof. The Supplemental Lease
23 Agreement shall be for a lease term to terminate no later than the final maturity of the Series

1 2015 Obligations, subject to annual appropriation of Rentals equal to the principal component
2 and interest component of the Series 2015 Obligations and certain additional rentals due under
3 such lease. The Supplemental Lease Agreement shall further provide the City with an option to
4 purchase the Corporation's interest in the Leased Premises upon the defeasance, or adequate
5 provision therefor, of the Series 2015 Obligations then outstanding. The Supplemental Lease
6 Agreement shall contain such other terms and provisions as shall adequately secure and protect
7 the payment of principal component and interest component of Rentals due on the Series 2015
8 Obligations.

9 **Section 9. Authorization with Respect to Sale of the Series 2015 Obligations.** The
10 preparation of a preliminary Official Statement and a final Official Statement, the execution and
11 delivery of the final Official Statement by the City, and the execution and delivery of a Purchase
12 Agreement are hereby contemplated, and the Mayor, the Comptroller, and other appropriate
13 officers, agents and employees of the City are hereby authorized and directed to, take such
14 further actions, and execute such other documents as are required by the City thereunder, with
15 their respective signatures thereon to be evidence of such approval by the City.

16 The Mayor, the Comptroller, and other appropriate officers, agents and employees of the
17 City, with the advice and concurrence of the City Counselor, are hereby authorized and directed
18 to participate with the Corporation and the Underwriters in the preparation of the preliminary
19 Official Statement and final Official Statement, and to execute and deliver the final Official
20 Statement and such continuing disclosure agreements as are necessary and desirable in order to
21 assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange
22 Commission.

1 **Section 10. Further Authority.** The City and the Mayor, the Comptroller, the Treasurer
2 (as to permitted investments only) the Register and other appropriate officers, agents and
3 employees of the City are hereby authorized to take such further actions and execute such other
4 documents as may be necessary or desirable to carry out and comply with the intent of this
5 Ordinance, and to carry out, comply with and perform the duties of the City with respect to the
6 Series 2015 Obligations, Supplemental Lease Agreement, any Credit Agreement and the Escrow
7 Agreement.

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

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Clerk, Board of Aldermen

President, Board of Aldermen

Approved: Date: _____

Mayor