

BOARD BILL #222 INTRODUCED BY ALDERMAN JEFFREY BOYD

1 An Ordinance recommended by the Board of Estimate and Apportionment of The City of St.
2 Louis, Missouri authorizing and directing The City of St. Louis, Missouri (as further defined herein, the
3 “*City*”) to issue and sell its general obligation bonds in various series, (as further defined herein, the
4 “*Bonds*”), in an aggregate principal amount of not to exceed \$40,000,000 (of which no more than
5 \$6,000,000 in aggregate principal amount shall be issued annually) for the purpose of stabilizing, within
6 the limits described in the City’s Proposition NS (Neighborhood Stabilization) Ordinance (as further
7 defined herein, the “*Proposition NS Ordinance*”) incorporated herein by reference, residential properties
8 owned by the Land Reutilization Authority of the City of St. Louis (as further defined herein, the “*LRA*”) or
9 other public entities (as further defined herein, the “*Project*”), all for the general welfare, safety, and
10 benefit of the citizens of the City; authorizing and directing appropriate City officials and/or officers to
11 approve and enter into, a Cooperation Agreement (herein defined), and other matters with respect thereto;
12 authorizing and directing appropriate City officials and/or officers to approve and enter into an Indenture
13 (herein defined) for the purpose of issuing any series of the Bonds, and other matters with respect thereto;
14 authorizing and directing the taking of other actions and the approval and execution of other documents as
15 necessary or desirable to carry out and comply with the intent hereof; appropriating the proceeds from the
16 sale of the first \$6,000,000 in aggregate principal amount of the Bonds to be used in accordance with this
17 Ordinance and as further described in the Cooperation Agreement; superseding provisions of prior
18 ordinances of the City to the extent inconsistent with the terms hereof; containing a severability clause;
19 and containing an emergency clause; and

20 **WHEREAS**, the City is a constitutional charter city of the State of Missouri (the “*State*”), duly
21 created, organized and existing under and by virtue of the Constitution and laws of the State; and

22 **WHEREAS**, the City is authorized under its Charter to incur indebtedness and to issue and sell
23 general obligation bonds of the City to evidence such indebtedness for the purpose of providing funds to
24 pay the costs of certain improvement projects; and

1 **WHEREAS**, Proposition NS (as defined herein), a proposition authorizing the City to incur debt
2 by issuing and selling general obligation bonds for the purpose of stabilizing vacant residential properties,
3 was submitted to the voters at the April 4, 2017 general municipal election in the City; and

4 **WHEREAS**, Proposition NS received more than four-sevenths, but not two-thirds, of the vote at
5 the April 4, 2017 general municipal election in the City; and

6 **WHEREAS**, the City filed suit seeking a judgment on the pleadings declaring, among other
7 things, that Proposition NS passed because it received the requisite four-sevenths voter approval provided
8 by Article VI, Section 26(b) of the Constitution of the State; and

9 **WHEREAS**, on September 13, 2018, the Circuit Court of the City of St. Louis, Missouri held,
10 among other things, that Proposition NS passed and that pursuant to Article V, Section 5 of the City's
11 Charter, Proposition NS shall be an ordinance of the City; and no appeal having followed, Proposition NS
12 is now an ordinance of the City; and

13 **WHEREAS**, the Proposition NS Ordinance requires that the City and St. Louis Development
14 Corporation and other applicable agencies and instrumentalities enter into the Cooperation Agreement for
15 the purposes of using the proceeds from the sale of the Bonds for the aforementioned purposes; and

16 **WHEREAS**, more specifically, the Cooperation Agreement sets forth the relationship between
17 the City and the LRA, provides for the funding and contracting arrangements for the services to
18 stabilize the properties owned by LRA within the City, and establishes a program for selling its
19 properties and for identifying property in need of stabilization; and

20 **WHEREAS**, the Proposition NS Ordinance provides for the funding of a program for the
21 City to continue to stabilize LRA-owned properties and for LRA to sell said properties so long as the
22 number of properties so stabilized and available for sale, but unsold, is fewer than 200 in order that the
23 program can continue within the extent of funds provided by the Proposition NS Ordinance; and

1 **WHEREAS**, it is necessary at this time to authorize and approve the Cooperation Agreement;
2 and

3 **WHEREAS**, it is necessary at this time to authorize the issuance and delivery of the Bonds in
4 connection with the Proposition NS Ordinance.

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

6 **SECTION ONE. DEFINITIONS OF WORDS AND TERMS.** Capitalized terms used
7 herein and not otherwise defined in this Ordinance or the preambles hereto shall be defined as follows:

8 “*Bond*” or “*Bonds*” means collectively the various Series of the City’s general obligation bonds,
9 notes and/or other obligations authorized in an aggregate principal amount of not to exceed \$40,000,000
10 (of which no more than \$6,000,000 in aggregate principal amount shall be issued annually) pursuant to
11 this Ordinance.

12 “*Bond Purchase Agreement*” means, collectively or singularly, as the context may require, one or
13 more bond purchase agreements, private placement agreements and/or continuing covenant agreements
14 executed by the City and the Original Purchaser related to the issuance and sale of any Series of the
15 Bonds.

16 “*Continuing Disclosure Agreement*” means, collectively or singularly, as the context may
17 require, one or more Continuing Disclosure Agreements, if any, memorializing the City’s continuing
18 disclosure obligations with respect to any Series of Bonds.

19 “*City*” means The City of St. Louis, Missouri, a constitutional charter city and political
20 subdivision organized and existing under its Charter and the constitution and laws of the State, and any
21 successors or assigns.

22 “*City Counselor*” means the City’s City Counselor, including any Interim City Counselor, and
23 any successors thereto.

1 “*City Documents*” means any Indenture, any Cooperation Agreement, any Tax Compliance
2 Agreement, any Credit Agreement, any Continuing Disclosure Agreement, any Bond Purchase
3 Agreement, and such other agreements, documents, certificates, and instruments to be executed by the
4 City as may necessary or desirable to facilitate the issuance of any Series of the Bonds, and/or carry out or
5 further the purposes of this Ordinance.

6 “*Cooperation Agreement*” means the Cooperation Agreement in substantially the form of
7 **EXHIBIT A**, attached hereto and incorporated herein by reference.

8 “*Credit Agreement*” means, if any, an agreement by and between a Credit Provider and the City
9 providing for Credit Enhancement.

10 “*Credit Enhancement*” means, if any, a letter of credit, liquidity facility, a surety bond, or bond
11 insurance policy or policies, issued by a Credit Provider guaranteeing, providing for or insuring the
12 payment of all or a portion of the principal of and interest on one or more Series of Bonds as provided
13 therein.

14 “*Credit Provider*” means the issuer or issuers of Credit Enhancement, if any, pursuant to the
15 Credit Agreement and identified in the documents issued in conjunction with any Series of the Bonds.

16 “*Indenture*” means a financing agreement, trust indenture or other instrument or document
17 entered into by the City and/or such other entity or entities, including a Trustee, as necessary or desirable
18 to carry out or further the purposes of this Ordinance, and any Supplemental Indentures entered into from
19 time to time.

20 “*LRA*” means the Land Reutilization Authority of the City of St. Louis, a political subdivision
21 of the State created pursuant to Sections 92.700 through 92.920 of the Revised Statutes of Missouri, as
22 amended.

23 “*Official Statement*” means any offering document, including amendments and supplements
24 thereto, prepared in connection with the issuance, sale, and delivery of any Series of the Bonds, including

1 (i) preliminary and/or final official statement or official statements, or (ii) preliminary and/or final private
2 placement memorandum or memoranda.

3 “*Project*” means the stabilization, within the limits described in the Proposition NS Ordinance
4 and the Cooperation Agreement, of residential properties owned by LRA or other public entities.

5 “*Proposition NS*” means the proposition for the issuance and sale by the City of general
6 obligation bonds, in an aggregate principal amount of not to exceed \$40,000,000 (of which no more than
7 \$6,000,000 in aggregate principal amount shall be issued annually) for the purpose of stabilizing, within
8 the limits described therein, residential properties owned by the LRA or other public entities.

9 “*Proposition NS Ordinance*” means Ordinance No.70846 adopted by the City, authorizing the
10 funding and implementation of Proposition NS.

11 “*Series*” means those Bonds issued and delivered by the City from time to time as part of a single
12 transaction and identified pursuant to the execution of the Indenture or Supplemental Indenture
13 authorizing the issuance of such Bonds, regardless of variations in maturity, interest rate, or other
14 provisions. If a Series of Bonds is sold in installments, “Series” shall mean all of the Bonds of such
15 installment as identified in such Indenture or Supplemental Indenture, as applicable.

16 “*State*” means the State of Missouri.

17 “*Supplemental Indenture*” means, collectively or singularly, as the context may require, one or
18 more financing agreements or indentures supplemental or amendatory to the Indenture entered into by and
19 between the City and Trustee and/or other entities, as necessary or desirable to carry out or further the
20 purposes of this Ordinance.

21 “*Tax Compliance Agreement*” means any Tax Compliance Agreement entered into by and
22 between the City and the Trustee with respect to any Series of the Bonds and/or other entities, as
23 necessary or desirable to carry out or further the purposes of this Ordinance.

24 “*Trustee*” means any trustee with respect to the Bonds and/or any paying agent and/or registrar.

1 “*Original Purchaser*” means the original purchaser or purchasers with respect to the Bonds.

2 **SECTION TWO. AUTHORIZATION OF THE BONDS.** The City, acting through its
3 Board of Aldermen, does hereby authorize and direct the issuance of the Bonds, as market conditions
4 warrant, pursuant to and in full compliance with the Constitution and statutes of the State, and the Charter
5 of the City, to pay costs of the Project and the costs of issuance of the Bonds, and does hereby find and
6 declare that this Ordinance is being enacted pursuant to the laws of the State, including particularly
7 Chapter 108 of the Revised Statutes of Missouri, as amended, and that the issuance of the Bonds is for the
8 public purposes set forth in the recitals to this Ordinance. Any Bonds (a) shall have a final maturity no
9 more than twenty (20) years from its dated date, (b) shall bear interest at such variable interest rates or
10 fixed interest rates that do not exceed the maximum rate permitted by applicable law or shall have such
11 accreted values as the City reasonably expects will achieve an economic benefit to the City, (c) may be
12 sold at a premium or at a discount with such discount not to exceed the maximum discount allowable
13 under State law, (e) may include the funding of a debt service reserve fund or funds and/or the purchase
14 of Credit Enhancement, for any such Series, (f) may include the funding of a capitalized interest fund or
15 funds, for any such Series, and (g) shall include the payment of reasonable expenses incurred in
16 connection with the issuance of any such Series. The terms and provisions of each Series of Bonds,
17 including bearing such dates, in such denominations and forms, and shall be issued, executed,
18 authenticated and delivered in such manner, and shall be subject to such provisions, covenants, and
19 agreements as shall be provided in the applicable Indenture, including any Supplemental Indenture,
20 pursuant to which such Series is issued. Subject to the terms of this Ordinance, the City hereby
21 authorizes and directs the Comptroller of the City in the exercise of such officer’s sole discretion to
22 determine and establish the terms and conditions of the Bonds, which are to be set forth in the Indenture.

23 **SECTION THREE. SECURITY FOR THE BONDS.** The Bonds shall be general
24 obligations of the City payable as to both principal and interest from ad valorem taxes, which may be

1 levied without limitation as to rate or amount upon all the taxable tangible property, real and personal,
2 within the territorial limits of the City. The full faith, credit and resources of the City are hereby
3 irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same
4 become due.

5 **SECTION FOUR. LEVY AND COLLECTION OF ANNUAL TAX.** For the purpose of
6 providing for the payment of the Bonds, as the same becomes due, there is hereby levied, upon all of the
7 taxable tangible property, real and personal, within the territorial limits of the City, a direct annual ad
8 valorem tax sufficient to meet principal of and interest requirements on the Bonds. The amounts of the
9 principal of and interest on any Series of the Bonds resulting from the said ad valorem tax levy shall be
10 set forth in the applicable Bond Purchase Agreement.

11 The ad valorem taxes referred to above shall be extended upon the tax rolls in each of the several
12 years, respectively, and shall be levied and collected at the same time and in the same manner as the other
13 taxes of the City are levied and collected. The proceeds derived from such ad valorem taxes shall be
14 deposited in accordance with the Indenture, shall be kept separate and apart from all other funds of the
15 City, and shall be used solely for the payment of the principal of, premium, if any, and interest on the
16 Bonds, as and when the same shall become due, and the fees and expenses of the Paying Agent. If at any
17 time such ad valorem taxes are not collected in time to pay the principal of, premium, if any, or interest
18 on the Bonds when due, the Treasurer of the City is hereby authorized and directed to pay such principal,
19 premium, if any, or interest from applicable funds and accounts established pursuant to the Indenture, as
20 applicable, or the general funds of the City and to reimburse such applicable funds and accounts
21 established pursuant to the Indenture, as applicable, or the general funds for money so expended when
22 such ad valorem taxes are collected.

23 Any moneys or investments remaining in the applicable funds and accounts established pursuant
24 to the Indenture, as applicable, after the retirement of the indebtedness for which the Bonds were issued

1 and all other general obligation indebtedness of the City shall be transferred and paid into the general
2 fund of the City free and clear of the lien of this Ordinance.

3 **SECTION FIVE. AUTHORITY AND DIRECTION WITH RESPECT TO ACTIONS,**
4 **AGREEMENTS AND DOCUMENTS.** The City is hereby authorized, with the advice and concurrence
5 of the City Counselor, to participate in the preparation of one or more Official Statements, to execute and
6 deliver one or more final Official Statements, and to prepare, execute and deliver one or more Bond
7 Purchase Agreements, Continuing Disclosure Agreements and/or Tax Compliance Agreements in
8 connection with the sale or sales of the Bonds. The City is hereby further authorized and directed to
9 cooperate in the preparation of any Official Statement, any Continuing Disclosure Agreement, and any
10 Tax Compliance Agreement necessary or desirable to effect the financing of the portions of the Project
11 relating to the issuance and sale of any Series of Bonds. The Comptroller and other appropriate officers,
12 agents, and employees of the City are hereby authorized and directed, on behalf of the City, to take such
13 actions and execute such other documents as are necessary or desirable to carry out or further the
14 purposes of this Ordinance and/or to assist in compliance with Rule 15c2-12 of the Securities and
15 Exchange Commission in connection with any Series of Bonds, with their respective signatures thereon to
16 be evidence of such approval by the City.

17 **SECTION SIX. AUTHORITY AND DIRECTION TO EXECUTE AND DELIVER**
18 **CITY DOCUMENTS AND APPROPRIATION OF BOND PROCEEDS.** The Comptroller on behalf
19 of the City is hereby authorized to enter into, and the Comptroller and such other officials and/or officers
20 of the City as are appropriate are hereby authorized to execute, seal, attest, and deliver the City
21 Documents for and on behalf of and as the act and deed of the City. Each City Document shall be
22 approved by the City Counselor and by the appropriate officials and/or officers of the City executing such
23 documents, such officers' signatures thereon being conclusive evidence of their approval and the City's
24 approval thereof.

1 The Cooperation Agreement is hereby authorized and approved in substantially the form of
2 **EXHIBIT A**, attached hereto and incorporated herein by reference. Further, the Comptroller on behalf of
3 the City is hereby authorized to enter into, and the Comptroller and such other officials and/or officers of
4 the City as are appropriate are hereby authorized to execute, seal, attest, and deliver the Cooperation
5 Agreement in substantially the form of **EXHIBIT A**, attached hereto and incorporated herein by
6 reference, for and on behalf of and as the act and deed of the City. The proceeds from the sale of the first
7 \$6,000,000 in aggregate principal amount of the Bonds are appropriated and to be used in accordance
8 with this Ordinance and as further described in the Cooperation Agreement.

9 **SECTION SEVEN. AUTHORITY TO OBTAIN CREDIT ENHANCEMENT.** The City
10 is hereby authorized, in its discretion and with the approval of the Comptroller, to obtain Credit
11 Enhancement for any Series of the Bonds from a Credit Provider with such credit rating that, in the
12 opinion of the Comptroller, the Original Purchaser and any applicable City financial advisor, will achieve
13 an economic benefit for the City if such Series of the Bonds is secured by such Credit Enhancement. The
14 Comptroller is hereby authorized to approve the terms of any such Credit Agreement and the Comptroller,
15 with the advice of the City Counselor as to form thereof, is hereby authorized to execute such Credit
16 Agreement and other documents in connection therewith as required to obtain the Credit Enhancement.

17 **SECTION EIGHT. GOVERNING LAW.** This Ordinance shall be governed exclusively by
18 and construed in accordance with the applicable laws of the State without reference to its conflict of laws
19 principles.

20 **SECTION NINE. AUTHORIZATION AND DIRECTION TO CITY REGISTER.** The
21 Register of the City is hereby authorized and directed to affix the corporate seal of the City to the City
22 Documents and to attest the same.

23 **SECTION TEN. AUTHORITY TO COOPERATE IN QUALIFICATION.** The City
24 and the Corporation shall furnish such information, execute such instrument, and take such other action in

1 cooperation with the Original Purchaser as the Original Purchaser may reasonably request to qualify any
2 Series of Bonds for offer and sale under the “Blue Sky” or other securities laws and regulations of such
3 states and other jurisdictions of the United States of America as the Original Purchaser may designate;
4 provided, however, the City shall not be required to register as a dealer or broker in any such state or
5 jurisdiction, to subject itself to service of process in any state or jurisdiction in which it is not already so
6 subject, or to comply with any requirements deemed by the City to be unduly burdensome.

7 **SECTION ELEVEN. AUTHORITY TO SELL THE BONDS IN A NEGOTIATED SALE**
8 **OR PRIVATE SALE.** The Bonds authorized by this Ordinance are authorized to be sold in a negotiated
9 sale and/or private sale. The terms of such negotiated sale and/or private sale may be negotiated by the
10 City, with the approval of the Comptroller, subject to the provisions of this Ordinance, with the final
11 terms of such negotiated sale and/or private sale to be approved by the Comptroller, such approval to be
12 evidenced by the execution and delivery of a Bond Purchase Agreement.

13 **SECTION TWELVE. SELECTION OF BOND COUNSEL AND MUNICIPAL ADVISOR.**
14 The City hereby designates Armstrong Teasdale LLP, as bond counsel to the City with respect to the
15 Bonds and PFM Financial Advisors LLC, as municipal advisor to the City with respect to the Bonds.

16 **SECTION THIRTEEN. SELECTION OF ORIGINAL PURCHASER AND**
17 **OTHERS.** The Comptroller is hereby authorized to select the Original Purchaser, the Trustee, Paying
18 Agent, the financial advisor and such other advisors, counsel, and participants to any Bonds transactions
19 as contemplated by this Ordinance and as are necessary or desirable to carry out of further the purposes of
20 this Ordinance and to cause the City to execute contracts for such services.

21 **SECTION FOURTEEN. AUTHORIZED OFFICIALS; FURTHER AUTHORITY.**
22 The Comptroller, the Treasurer (as to permitted investments only), and other appropriate officials,
23 officers, agents, and employees of the City, with the advice and concurrence of the City Counselor, are
24 hereby authorized and empowered, on behalf of the City, to execute such documents as may be necessary

1 or appropriate or desirable in connection with the issuance of the Bonds and to carry out or further the
2 purposes of this Ordinance and to carry out, comply with or perform the duties of the City with respect to
3 the instruments and agreements authorized hereby, including, without limitation, the execution of any
4 arbitrage certificates, closing certificates, tax forms, any investment or related agreements, any agreement
5 for Credit Enhancement, if any, or other documents in connection therewith as necessary to obtain Credit
6 Enhancement, if any, applications, notices and other forms required to qualify the Bonds for sale under
7 state securities of “Blue Sky” laws, if any, and, on an ongoing basis, any documents in connection with
8 the administration of the Bonds.

9 **SECTION FIFTEEN. REPEAL OF OTHER ORDINANCES.** All ordinances or parts of
10 ordinances in conflict with the provisions of this Ordinance shall be and the same hereby are repealed,
11 insofar as they may so conflict.

12 **SECTION SIXTEEN. SEVERABILITY.** It is hereby declared to be the intention of the Board
13 of Aldermen that each and every part, section, and subsection of this Ordinance shall be separate and
14 severable from each and every other part, section, and subsection hereof and that the Board of Aldermen
15 intends to adopt each said part, section, and subsection separately and independently of any other part,
16 section, and subsection. In the event that any part, section, or subsection of this Ordinance shall be
17 determined to be or to have been unlawful or unconstitutional, the remaining parts, sections, and
18 subsections shall be and remain in full force and effect, unless the court making such finding shall
19 determine that the valid portions standing alone are incomplete and are incapable of being executed in
20 accord with the legislative intent, provided that the essential provisions of the arrangements contemplated
21 by this Ordinance remain intact.

22 **SECTION SEVENTEEN. EMERGENCY CLAUSE.** This being an ordinance necessary
23 for the immediate preservation of public peace, health and safety, and providing for public work or
24 improvements and repairs thereof, it is hereby declared to be an emergency measure within the meaning

1 of Sections 19 and 20 of Article IV of the Charter of The City of St. Louis and therefore, this Ordinance
2 shall become effective immediately upon its passage and approval by the Mayor of the City.

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EXHIBIT A

FORM OF COOPERATION AGREEMENT

(Attached hereto.)