

BOARD BILL #117 AS AMENDED INTRODUCED BY ALDERWOMAN HUBBARD

1 An Ordinance recommended by the Board of Estimate and Apportionment authorizing
2 and directing the St. Louis Municipal Finance Corporation to procure a loan for the purpose of
3 funding the acquisition of real property in The City of St. Louis, Missouri, including the costs of
4 securing options to purchase such real property, and other costs necessary to prepare such real
5 property as a site for the western headquarters of the National Geospatial-Intelligence Agency,
6 including, without limitation, the costs of relocation, remediation, demolition, clearance, surveys
7 and site work; authorizing the St. Louis Municipal Finance Corporation to execute certain
8 documents related thereto; authorizing the Mayor and the Comptroller to execute certain
9 documents related thereto; and authorizing and directing the taking of other actions and the
10 approval and execution of other documents as necessary or desirable to carry out and comply
11 with the intent hereof.

12 WHEREAS, the National Geospatial-Intelligence Agency (the “**NGA**”) has expressed
13 interest in relocating its western headquarters (the “**NGA West Facilities Modernization**
14 **Project**”) to a site located near the intersection of N. Jefferson Avenue and Cass Avenue (the
15 “**Proposed NGA Location**”); and

16 WHEREAS, in order for the Proposed NGA Location to be further considered by the
17 NGA as the location for the NGA West Facilities Modernization Project, The City of St. Louis,
18 Missouri (the “**City**”) or an affiliated entity must be able to deliver the Proposed NGA Location
19 under one controlling ownership, environmentally clean and with all buildings removed, streets
20 and alleys vacated, building foundations and utilities removed to a depth of at least three feet
21 below grade, and utility and other facilities relocated (collectively, the “**NGA Preparation**
22 **Work**”); and

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23 WHEREAS, it is in the best interest of the City and will promote the general welfare and
24 safety of the residents of the City if the NGA selects the Proposed NGA Location for the NGA
25 West Facilities Modernization Project; and

26 WHEREAS, the NGA Preparation Work is included within the scope of activities to be
27 undertaken pursuant to the Redevelopment Plan for the Cass Ave., Jefferson Ave./Parnell St.,
28 Montgomery St., North 22nd St. Redevelopment Area (the “**LCRA Redevelopment Plan**”)
29 approved by the Board of Aldermen of the City by Ordinance No. 69977 adopted on February
30 13, 2015; and

31 WHEREAS, pursuant to Ordinance No. 69977, the Board of Aldermen of the City
32 pledged its cooperation in helping to carry out the LCRA Redevelopment Plan; and

33 WHEREAS, pursuant to House Bill No. 514, adopted by the Missouri General Assembly
34 on May 6, 2015 (“**HB 514**”), the State of Missouri, acting through the Department of Economic
35 Development and the Office of Administration, will, upon execution of HB 514 by the Governor,
36 be authorized to enter into a financing agreement with the City or an affiliated entity to assist in
37 financing costs associated with securing the NGA West Facilities Modernization Project at the
38 Proposed NGA Location (the “**State Financing Agreement**”); and

39 WHEREAS, the City desires to authorize and direct the St. Louis Municipal Finance
40 Corporation (the “**Corporation**”) to procure a loan (the “**SLMFC Loan**”) initially in the
41 principal amount of not to exceed \$13,000,000 if the Leased Property (defined herein) is not
42 refinanced as part of the SLMFC Loan or \$20,000,000 if the Leased Property is refinanced as
43 part of the SLMFC Loan, and including provisions for the Corporation to increase the maximum

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44 principal amount of the SLMFC Loan if the State Financing Agreement, as contemplated by HB
45 514, is executed; and

46 WHEREAS, a portion of the proceeds of the SLMFC Loan will be loaned to a special
47 purpose entity (the “**SPE**”) to be created by the Land Clearance for Redevelopment Authority of
48 the City of St. Louis (the “**LCRA**”) for the purpose of completing the NGA Preparation Work
49 (the “**SPE Secured Loan Facility**”); and

50 WHEREAS, to procure the SLMFC Loan, the City may be required to provide first
51 mortgages on the City’s fee simple interest in the properties located at 1520 Market Street and
52 1415 N. 13th Street, agree to use restrictions on such properties and/or enter into a financing
53 agreement with the Corporation, wherein the City will agree, subject to annual appropriation, to
54 apply certain funds to the repayment of the SLMFC Loan (the “**City Financing Agreement**”);
55 and

56 WHEREAS, to procure the SLMFC Loan, the Corporation may be required to pledge and
57 collaterally assign (a) the SPE Secured Loan Facility, including the SPE’s promise to repay the
58 loan and a security interest in the assets acquired by the SPE (including, without limitation, real
59 property acquired by the SPE and option contracts to acquire real property), (b) the above-
60 described mortgages (if granted to the Corporation by the City), (c) the City Financing
61 Agreement, and (d) other property and contract interests that may be acquired by the SPE with
62 the proceeds of the Secured Loan Facility; and

63 WHEREAS, it is in the best interest of the City to direct the Corporation to procure the
64 SLMFC Loan and enter into the SPE Secured Loan Facility to provide a source of funds for the
65 SPE to complete the NGA Preparation Work; and

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66 WHEREAS, it is in the best interest of the City to enter into the City Financing
67 Agreement and State Financing Agreement to assist in funding costs associated with securing the
68 NGA West Facilities Modernization Project at the Proposed NGA Location.

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

71 **Section 1. Definitions.** Capitalized terms used herein and not otherwise defined in this
72 Ordinance shall be defined as follows:

73 “Base Lease” means the Base Lease dated as of June 1, 2007, between the City, as lessor,
74 and the Corporation, as lessee, relating to the property located at 1520 Market Street in the City,
75 as amended and supplemented by the First Supplemental Base Lease dated as of May 1, 2011,
76 and as may be further amended and supplemented in accordance with the terms thereof, pursuant
77 to which the City conveyed a leasehold interest in the Leased Property to the Corporation.

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

79 “City” means The City of St. Louis, Missouri.

80 “City Documents” means the First Mortgage Deeds of Trust, if any, the Use Restrictions,
81 if any, the Collateral Assignment, the City Financing Agreement, the Tax Compliance
82 Agreement, if any, the State Financing Agreement and such other documents, certificates, and
83 instruments as may be necessary or desirable to facilitate the procurement of the SLMFC Loan
84 and to carry out and comply with the intent of this Ordinance.

85 “City Financing Agreement” means an agreement or agreements between the City and
86 the Corporation (which may be in the form of supplements to the Base Lease and/or Lease

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87 Purchase Agreement), whereby the City agrees to provide additional funds, subject to annual
88 appropriation, for payments on the SLMFC Loan.

89 “Collateral Assignment” means a collateral assignment of (i) the SPE Secured Credit
90 Facility, (ii) the First Mortgage Deeds of Trust (if granted to the Corporation by the City), (iii)
91 the Use Restrictions (if granted to the Corporation by the City), (iv) the City Financing
92 Agreement and (v) any other property or interest necessary or desirable to facilitate the
93 procurement of the SLMFC Loan.

94 “Comptroller” means the Comptroller of the City.

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

96 “Corporation Documents” means the SLMFC Loan Agreement, the Collateral
97 Assignment, the City Financing Agreement, the Leasehold Deed of Trust, if any, the Tax
98 Compliance Agreement, if any, and such other documents, certificates, and instruments as may
99 be necessary or desirable to facilitate the procurement of the SLMFC Loan and to carry out and
100 comply with the intent of this Ordinance.

101 “Financial Advisor” means Public Financial Management, Inc.

102 “First Mortgage Deeds of Trust” means the first mortgage deed of trust on each of the
103 First Mortgage Properties.

104 “First Mortgage Properties” means the City’s fee simple interest in the properties located
105 at 1520 Market Street (office building) (which is subject to the Base Lease and Lease Purchase
106 Agreement) and 1415 N. 13th Street (Forestry Division and Facilities Management facility).

107 “LCRA” means the Land Clearance for Redevelopment Authority of the City of St.
108 Louis.

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109 “Lease Purchase Agreement” means the Lease Purchase Agreement dated as of June 1,
110 2007, between the City , as lessee, and the Corporation, as lessor, relating to the property located
111 at 1520 Market Street in the City, as amended and supplemented by the First Amended and
112 Supplemental Lease Purchase Agreement dated as of May 1, 2011, and as may be further
113 amended and supplemented in accordance with the terms thereof, pursuant to which the City
114 conveyed a leasehold interest in the Leased Property to the Corporation.

115 “Leased Property” means the real property described in the Lease Purchase Agreement
116 together with any improvements constructed thereon.

117 “Leasehold Deed of Trust” means a deed of trust for the benefit of the SLMFC Loan
118 Provider, granted by the Corporation and secured by the Corporation’s interest in the Base Lease.

119 “NGA” means the National Geospatial-Intelligence Agency.

120 “NGA Earnings Tax Revenues” means the amount of earnings tax collected by the City
121 associated with the operations of the NGA that are contributed by the City pursuant to the State
122 Financing Agreement, subject to annual appropriation, which shall not exceed \$1,500,000 per
123 fiscal year. The portion of the NGA Earnings Tax Revenues attributable to the redevelopment
124 area described in the NorthSide Regeneration Tax Increment Financing (TIF) Redevelopment
125 Plan shall be deposited into a separated, segregated account of the Special Allocation Fund to be
126 known as the “NGA Jobs Fund” until disbursed pursuant to the State Financing Agreement.

127 “NGA Project Costs” means the costs to complete the NGA Preparation Work, including,
128 without limitation, (i) the costs of purchasing real property or interests therein and/or options to
129 purchase real property or interests therein within the Proposed NGA Location, (ii) relocation,
130 remediation, demolition, clearance, survey, site work and transactional expenses, and (iii)

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131 interest payments on the SLMFC Loan. The NGA Project Costs shall also include costs incurred
132 by the LCRA or the SPE in furtherance of the NGA Preparation Work prior to the procurement
133 of the SLMFC Loan.

134 “Placement Agent” means Stifel, Nicolaus & Company, Incorporated.

135 “Proposed NGA Location” means the area identified by the NGA as a potential location
136 for the NGA West Facilities Modernization Project, which includes approximately 99 acres
137 northeast of the intersection of N. Jefferson Avenue and Cass Avenue and approximately 34
138 acres located southeast of the intersection of N. Jefferson Avenue and Cass Avenue.

139 “Register” means the Register of the City.

140 “SLMFC Loan” means the loan to the Corporation in an aggregate principal amount
141 initially of not to exceed \$13,000,000 if the Leased Property is not refinanced as part of the
142 SLMFC Loan or \$20,000,000 if the Leased Property is refinanced as part of the SLMFC Loan,
143 but which may be increased from time to time by resolution of the Board of Aldermen.

144 “SLMFC Loan Agreement” means an agreement entered into by and between the
145 SLMFC Loan Provider and the Corporation providing for the SLMFC Loan.

146 “SLMFC Loan Provider” means one or more banks or financial institutions that extend
147 the SLMFC Loan.

148 “SPE” means the special purpose entity formed by LCRA.

149 “SPE Secured Credit Facility” means the loan agreement between the Corporation and
150 the SPE, under which the Corporation will advance a portion of the proceeds of the SLMFC
151 Loan, from time to time, to the SPE to fund the costs of the NGA Preparation Work.

152 “State” means the State of Missouri.

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153 “State Financing Agreement” means a financing agreement entered into by and between
154 the State, acting through its Department of Economic Development and the Office of
155 Administration, and the City, acting directly, through an affiliated entity (including, without
156 limitation, the Corporation) or the LCRA, providing for the annual appropriation and
157 disbursement of State income tax revenues generated from the operations of the NGA and NGA
158 Earnings Tax Revenues disbursed by the City to fund costs associated with the NGA Project.

159 “Tax Compliance Agreement” means a Tax Compliance Agreement entered into by and
160 among the City, the Corporation, the SPE and the Trustee.

161 “Use Restrictions” means any agreement by the City for the benefit of the Corporation or
162 any SLMFC Loan Provider to restrict the use of the First Mortgage Properties.

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

165 (a) It is in the best interest of the City to authorize and direct the Corporation to
166 procure the SLMFC Loan to make advances under the SPE Secured Credit Facility to the SPE so
167 that the SPE has a source of funds to complete the NGA Preparation Work.

168 (b) The procurement by the Corporation of the SLMFC Loan through a private
169 placement by the Placement Agent is necessary and desirable for the City.

170 (c) In connection with the procurement of the SLMFC Loan, it is necessary to
171 execute and deliver the City Documents (except the State Financing Agreement) and the
172 Corporation Documents.

173 (d) It is in the best interest of the City to authorize and direct the execution and
174 delivery of the State Financing Agreement.

175 **Section 3. Authority and Direction to Procure the SLMFC Loan.** The City hereby
176 authorizes and directs the Corporation, upon terms suitable to the Corporation, the Comptroller
177 and the SPE (with the advice of the Financial Advisor), to procure the SLMFC Loan for the
178 purposes set forth in Section 2 hereof. The SLMFC Loan (i) shall have a final term not more
179 than twenty (20) years from the issuance thereof, (ii) shall bear a fixed rate of interest of not
180 more than 6% or a variable rate of interest acceptable to the Corporation, the Comptroller and the
181 SPE, and (iii) shall be amortized semi-annually and pre-payable at any time, in whole or in part,
182 without penalty, at the option of the Corporation.

183 **Section 4. Limited Obligations.**

184 (a) The SLMFC Loan and the interest thereon shall be limited obligations payable by the
185 Corporation solely from (i) proceeds from the SLMFC Loan, (ii) loan repayments made by the
186 SPE pursuant to the SPE Secured Credit Facility, including repayments attributable to the sale of
187 the Proposed NGA Location to the NGA and/or other purchasers, (ii) payments made by the
188 City, subject to annual appropriation, pursuant to the City Financing Agreement and the Lease
189 Purchase Agreement, and (iii) other funds which may be available to pay the SLMFC Loan as a
190 result of payments by the City and/or the State pursuant to the State Financing Agreement. The
191 SLMFC Loan and the interest thereon do not and shall not constitute an indebtedness of the City,
192 the State or any instrumentality or political subdivision thereof within the meaning of any
193 constitutional, statutory or charter debt limitation or restriction. The obligation, if any, of the
194 City to make payments pursuant to the City Financing Agreement and the Lease Purchase
195 Agreement is subject to annual appropriation as shall be provided therein and shall not constitute
196 a debt of the City. The taxing power of the City is not pledged to the payment of the SLMFC

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197 Loan either as to principal or interest. Notwithstanding anything herein to the contrary, if the
198 interest on the SLMFC Loan is tax-exempt, the SLMFC Loan shall be issued in a form and under
199 such terms as shall ensure and maintain the security and tax-exempt status of the interest on the
200 SLMFC Loan.

201 (b) The obligations of the City under the State Financing Agreement shall be limited obligations
202 payable by the City solely from NGA Earnings Tax Revenues and do not and shall not constitute
203 an indebtedness of the City, the State or any instrumentality or political subdivision thereof
204 within the meaning of any constitutional, statutory or charter debt limitation or restriction. The
205 obligation, if any, of the City to make payments from NGA Earnings Tax Revenues is subject to
206 annual appropriation and shall not constitute a debt of the City. The taxing power of the City is
207 not pledged to the payment of any obligations under the State Financing Agreement.

208 **Section 5. Authority and Direction to Execute and Deliver Corporation Documents.**

209 In connection with the procurement of the SLMFC Loan, the City hereby authorizes and directs
210 the Corporation to execute and deliver the Corporation Documents, in forms that are consistent
211 with the provisions of this Ordinance, and as such Corporation Documents are approved by the
212 City Counselor and the appropriate officers of the Corporation executing such documents, with
213 the respective signatures of such officers thereon to be evidence of the approval of the
214 Corporation.

215 **Section 6. Authority and Direction to Execute and Deliver City Documents.** The

216 City hereby authorizes and directs the Mayor and the Comptroller of the City to execute and
217 deliver the City Documents in forms that are consistent with the provisions of this Ordinance, as
218 such City Documents are approved by the Board of Estimate and Apportionment, and as are

219 approved as to form by the City Counselor, with the respective signatures of such officials
220 thereon to be evidence of the approval of the City; and the Register of the City is hereby
221 authorized and directed to affix the corporate seal of the City to the City Documents and to attest
222 the same.

223 **Section 7. Selection of Municipal Advisor, Placement Agent and Other Participants.**

224 The appointment of the Financial Advisor, the Placement Agent and such other advisors, counsel
225 and participants to the proposed transactions is consistent with previous action of the
226 Comptroller's Office, the Corporation and the LCRA, and is desirable in order to further the
227 purposes of this Ordinance shall be selected pursuant to the terms and provisions of Ordinance
228 No. 64102.

229 **Section 8. Further Authority.** The Mayor, the Comptroller, the Treasurer (as to
230 permitted investments only), the Register, and other appropriate officials, officers, agents, and
231 employees of the City are hereby authorized to take such further actions and execute such other
232 documents as may be necessary or desirable to carry out and comply with the intent of this
233 Ordinance, and to carry out, comply with and perform the duties of the City with respect to the
234 City Documents.

235 **Section 9. Severability.** It is hereby declared to be the intention of the Board of
236 Aldermen that each and every part, section, and subsection of this Ordinance shall be separate
237 and severable from each and every other part, section, and subsection hereof and that the Board
238 of Aldermen intends to adopt each said part, section, and subsection separately and
239 independently of any other part, section, and subsection. In the event that any part, section, or
240 subsection of this Ordinance shall be determined to be or to have been unlawful or

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241 unconstitutional, the remaining parts, sections, and subsections shall be and remain in full force
242 and effect, unless the court making such finding shall determine that the valid portions standing
243 alone are incomplete and are incapable of being executed in accord with the legislative intent.

244 **Section 10. Construction.** In the event of any inconsistency between the provisions of
245 this Ordinance and the provisions of any prior ordinances, the provisions of this Ordinance shall
246 prevail.

247 **Section 11. Governing Law.** This Ordinance shall be governed exclusively by and
248 construed in accordance with the applicable laws of the State of Missouri without reference to its
249 conflict of laws principles.