

ORDINANCE #68931
Board Bill No. 35

An ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Mayor, on behalf of the City, to make application to the United States Department of Housing and Urban Development (“HUD”) pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974, as amended (the “Act”) to refinance the City’s existing Section 108 Loan pertaining to the Darst-Webbe (Near Southside) Hope VI Revitalization Plan (the “Existing Section 108 Loan”) with a new loan (the “New Section 108 Loan”); authorizing and directing the Mayor and the Comptroller, on behalf of the City, to execute any contracts, promissory notes, or other loan documents with HUD necessary to refinance the Existing Section 108 Loan and obtain the New Section 108 Loan; appropriating the New Section 108 Loan proceeds to the repayment of the Existing Section 108 Loan; providing partial collateral for the repayment of the New Section 108 Loan; authorizing certain other actions of City officials; and containing an emergency clause and a severability clause.

WHEREAS, The City of St. Louis, Missouri (the “City”), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, the Darst-Webbe (Near Southside) Hope VI Revitalization Plan (the “Project”) is an urban revitalization project in the City; and

WHEREAS, the City did previously obtain the Existing Section 108 Loan in the initial principal amount of Twenty Million Dollars (\$20,000,000) from HUD to be used and appropriated towards the development of the Project; and

WHEREAS, the Board of Aldermen expects, based upon the advice of the City’s staff and advisors, that the refinancing of the variable rate Existing Section 108 Loan with the fixed-rate New Section 108 Loan will result in net interest savings; and

WHEREAS, the Board of Aldermen hereby determines that it is in the best interest of the City to cause St. Louis Municipal Finance Corp. (“SLMFC”) to grant to HUD a leasehold deed of trust (the “Leasehold Mortgage”) in that certain Lease dated as of October 24, 2000 between the City, as landlord, and SLMFC, as tenant, as partial collateral for the payment of the principal and interest due on the Existing Section 108 Loan; and

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

SECTION ONE. The Mayor, on behalf of the City of St. Louis, is hereby authorized and directed to submit an application to refinance the Existing Section 108 Loan and to elect optional redemption pursuant to Section 3.03 of the Trust Agreement of the Existing Section 108 Loan and defeasance pursuant to Section 3.07 of the Trust Agreement of the Existing Section 108 Loan.

SECTION TWO. The Mayor and the Comptroller, on behalf of the City of St. Louis, are hereby authorized and directed to execute any contracts, promissory notes or other loan documents with HUD necessary to refinance the Existing Section 108 Loan with the New Section 108 Loan, upon such terms as the Mayor and the Comptroller shall deem to be reasonably appropriate in their discretion.

SECTION THREE. The proceeds of the New Section 108 Loan are hereby appropriated to repay the outstanding principal and interest on the Existing Section 108 Loan.

SECTION FOUR. The City’s obligation to pay principal and interest to HUD under any promissory note(s) with respect to the New Section 108 Loan shall be secured in part by a grant of the Leasehold Mortgage by SLMFC.

SECTION FIVE. The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions as may be necessary and appropriate in order to carry out the transactions described herein, with no such further action of the Board of Aldermen necessary to authorize such action by the Mayor and the Comptroller or their designated representatives.

SECTION SIX. It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful

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

SECTION NINE. The Board of Aldermen hereby finds and determines that this ordinance constitutes an “emergency measure” pursuant to Article IV, Section 20 of the City Charter, because this Ordinance makes an appropriation of for the payment of principal and interest on the public debt in the form of the Existing Section 108 Loan and the New Section 108 Loan, and as such, this Ordinance shall take effect immediately upon its approval by the Mayor as provided in Article IV, Section 20 of the City Charter.

Approved: June 28, 2011