

ORDINANCE NUMBER 70199

BOARD BILL NO. 266

INTRODUCED BY ALDERMAN JOE VACCARO

1 An Ordinance recommended by the Board of Estimate and Apportionment amending and
2 supplementing Ordinance No. 69893 which, among other things, establishes a green community
3 program for the purpose of making low-interest loans for residential energy efficiency projects
4 and public building energy conservation projects and to authorize the St. Louis Municipal
5 Finance Corporation (as further defined herein, the “Corporation”) to sell one or more series of
6 energy conservation bonds on behalf of The City of St. Louis, Missouri (the “City”) in an
7 aggregate principal amount not to exceed \$4,550,000 (as further defined herein, the “Series
8 2016B Bonds,” and the “Series 2016C Bonds,” if issued) in order to finance public building
9 energy conservation projects and the low-interest loan green community program (as further
10 defined herein, the “Series 2016B Projects”), and additional program and financing costs all for
11 the general welfare, safety and benefit of the citizens of the City, authorizing and directing the
12 officers of the Corporation to execute and deliver the Indenture, the Second Supplemental Lease
13 Agreement, the Program Compliance Agreement, the Offering Document, the Bond Purchase
14 Agreement, and the Credit Agreement, if any (all as defined herein, the “Corporation
15 Documents”); authorizing the obtaining of credit enhancement for the Series 2016B Bonds and
16 Series 2016C Bonds, if issued, from a Credit Provider; authorizing the payment of any
17 obligations due to a Credit Provider, if any, and authorizing the Mayor, the Comptroller and any
18 other appropriate City officials to execute the Second Supplemental Lease Agreement, the
19 Program Compliance Agreement, the Continuing Disclosure Agreement, the Offering Document,
20 the Bond Purchase Agreement, and the Credit Agreement, if any (all as defined herein, the “City
21 Documents”); authorizing participation of appropriate City officials in preparing a disclosure

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1 document in the form of either an Official Statement or Private Placement Memorandum (as
2 further defined herein, the “Offering Document”), if any; authorizing the acceptance of the terms
3 of the Bond Purchase Agreement and the taking of further actions with respect thereto;
4 authorizing the payment of certain costs of issuance, green community program expenses and/or
5 reimbursement of City general fund expenses in connection with the Series 2016B Bonds and
6 Series 2016C Bonds, if issued; authorizing and directing the taking of other actions and approval
7 and execution of other documents as necessary or desirable to carry out and comply with the
8 intent hereof; superseding provisions of prior ordinances of the City to the extent inconsistent
9 with the terms hereof; and containing an emergency clause.

10 WHEREAS, the City is establishing its “green community program” within the meaning
11 of Section 54D of the Internal Revenue Code of 1986, as amended (the “Code”) for the purpose
12 of promoting energy efficiency and conservation throughout the City; and

13 WHEREAS, the City has determined that it is advisable or necessary that one or more
14 series of bonds be issued as “qualified energy conservation bonds” (as further defined herein, the
15 “QECCB Bonds”) under Section 54D of the Code and “qualified tax credit bonds” under Section
16 54A or 6431 of the Code and IRS notices 2009-29, 2010-35 and 2012-44 which bonds, subject to
17 compliance with certain conditions, would be eligible for a direct payment by the United States
18 Treasury (the “Treasury”) to the City of a portion of the interest on such bonds (“Direct Interest
19 Subsidy Payments”) provided, however, that with respect to any series of bonds issued as QECCB
20 Bonds to finance any Series 2016B Projects, any such portions of the Series 2016B Projects shall
21 be completed by the City for “qualified conservation purposes” as defined in Section 54D of the
22 Code, and

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1 WHEREAS, the City has received an allocation of \$3,637,371 from the State of Missouri
2 (the “State”) to issue QECC Bonds in the principal amount of up to \$3,637,371; and

3 WHEREAS, the City intends to use a portion of the proceeds of the QECC Bonds to
4 finance a public building energy conservation project consisting of improvements to the HVAC
5 system of the Carnahan Courthouse or energy efficiency improvements to other qualifying public
6 buildings of the City and a portion of the proceeds for the purpose of making low-interest loans
7 for residential energy efficiency projects; and

8 WHEREAS, the QECC Bonds may be issued to fund projects for which 100% of the
9 available project proceeds of the QECC Bonds are used for qualified conservation purposes; and
10 to implement a “green community program” which constitutes a qualified conservation purpose
11 under Section 54D of the Code, including the use of loans, grants, or other repayment
12 mechanisms to implement such a program; and

13 WHEREAS, the City determined that it is in the best interest of the City to direct the
14 Corporation to issue the Series 2016B Bonds and the Series 2016C Bonds, if issued, through a
15 negotiated sale to finance the Series 2016B Projects, to pay capitalized interest on the Series
16 2016B Bonds and the Series 2016C Bonds, if issued, to fund a reserve fund or funds, if any, and
17 to pay for the costs of issuance of the Series 2016B Bonds and the Series 2016C Bonds, if
18 issued; and

19 WHEREAS, concurrently with the issuance and delivery of the Series 2016B Bonds and
20 the Series 2016C Bonds, if issued, the City has authorized the Corporation to issue a series of
21 Carnahan Courthouse Leasehold Revenue Refunding Revenue Bonds, Series 2016A (City of St.
22 Louis, Missouri, Lessee) (the “Series 2016A Bonds”) for the purpose of refunding all or a

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1 portion of its outstanding Carnahan Courthouse Leasehold Revenue Refunding Bonds, Series
2 2006A (City of St. Louis, Missouri, Lessee), funding a debt service reserve fund, if any, and
3 paying the costs of issuance thereof; and

4 WHEREAS, it is necessary and desirable in connection with the issuance of the Series
5 2016B Bonds and Series 2016C Bonds, if issued, for the City to execute and deliver certain
6 documents and take certain other actions as herein provided.

7 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY AS FOLLOWS:**

8 **Section 1. Definitions.** Capitalized terms used herein and not otherwise defined in
9 Ordinance 69893 or this Ordinance or the preambles hereto shall have the meanings ascribed to
10 such terms in the Indenture. As used in Ordinance 69893 and in this amended Ordinance, the
11 following words shall be defined as follows:

12 “Additional Rentals” means the amounts payable by the City on an annual appropriation
13 basis as additional rentals pursuant to Section 4.2 of the Lease Purchase Agreement.

14 “Base Lease” means the Base Lease, between the City and the Corporation, dated as of
15 April 1, 2002, as from time to time supplemented or amended in accordance with Section 7.3
16 thereof.

17 “Bond Purchase Agreement” means the Bond Purchase Agreement or Bond Purchase
18 Agreements related to the issuance and sale of the Series 2016B Bonds and the Series 2016C
19 Bonds, if issued.

20 “City Documents” means the Second Supplemental Lease Agreement, the Program
21 Compliance Agreement, the Offering Document, the Bond Purchase Agreement, the Continuing
22 Disclosure Agreement, and any Credit Agreement, or other documents related thereto and

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1 instruments as may be necessary or desirable to facilitate the issuance of the Series 2016B Bonds
2 and Series 2016C Bonds, if issued, and to carry out and comply with the intent of this Ordinance.

3 “Continuing Disclosure Agreement” means that certain Continuing Disclosure
4 Agreement executed by the City and dated as of the date of issuance of the Series 2016B Bonds
5 and Series 2016C Bonds, if issued, as originally executed and as it may be amended from time to
6 time in accordance with the terms thereof.

7 “Corporation” means the St. Louis Municipal Finance Corporation, a corporation
8 organized under the Missouri Nonprofit Corporation Act, or such other suitable municipal
9 financing corporation as may be approved to serve as the Corporation for the financing
10 authorized by this Ordinance.

11 “Corporation Documents” means the Indenture, Second Supplemental Lease Agreement,
12 the Program Compliance Agreement, the Offering Document, the Bond Purchase Agreement,
13 and any Credit Agreement, or other documents related thereto and instruments as may be
14 necessary or desirable to facilitate the issuance of the Series 2016B Bonds and the Series 2016C
15 Bonds, if issued, and to carry out and comply with the intent of this Ordinance.

16 “Energy Efficiency Program” means the green community energy conservation program
17 initially established by the City pursuant to Ordinance 69893 for the purpose of financing public
18 building energy conservation projects and a low-interest loan green community program.

19 “Financed Property” means the new HVAC system to be installed in the Carnahan
20 Courthouse or energy efficiency improvements to other qualifying public buildings of the City
21 which are financed from a portion of the proceeds of the Series 2016B Bonds.

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1 “Indenture” means the Trust Indenture between the Corporation and the Trustee, as may
2 be further amended pursuant to the terms thereof, pursuant to which the Series 2016B Bonds are
3 issued and the Series 2016C Bonds may be issued.

4 “Lease Agreement” means the Lease Purchase Agreement dated as of April 1, 2002, by
5 and between the City and the Corporation, as amended and supplemented, pursuant to which the
6 Corporation conveyed a leasehold interest in the Property to the City, and the City leased the
7 Property, together with any improvements thereon, from the Corporation and agreed, subject to
8 annual appropriation, to pay Rentals sufficient to pay when due the principal of and interest on
9 the Series 2016A Bonds, the Series 2016B Bonds, and the Series 2016C Bonds, if issued, and
10 Additional Rentals and any other amounts due under the Lease Agreement for each fiscal year of
11 the City.

12 “Municipal Advisors” means Public Financial Management, Inc. and TKG & Associates
13 LLC, the co-municipal advisors to the City with respect to the Series 2016B Bonds and Series
14 2016C Bonds, if issued.

15 “Offering Document” means the Preliminary Official Statement or Private Placement
16 Memorandum, and the final Official Statement or Private Placement Memorandum, prepared in
17 connection with the issuance, sale, and delivery of the Series 2016B Bonds and Series 2016C
18 Bonds, if issued.

19 “Program Compliance Agreement” means the Program Compliance Agreement entered
20 into by and between the City and the Trustee concerning compliance with regulations concerning
21 QECC Bonds.

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1 “QECCB Bonds” means bonds which are “qualified energy conservation bonds” pursuant
2 to Section 54D of the Code.

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

4 “Second Supplemental Lease Agreement” means the Second Supplemental Lease
5 Purchase Agreement between the Corporation and the City.

6 “Series 2016B Bonds” shall mean Taxable Qualified Energy Conservation Bonds
7 (Energy Efficiency Program), Series 2016B, which, together with the Series 2016C Bonds, if
8 issued, shall be issued in an aggregate principal amount of not to exceed \$4,550,000 to fund the
9 Series 2016B Projects and with respect to such Series 2016B Bonds to pay certain costs of
10 issuance, program fees and expenses and reimbursing the City for its administrative costs in
11 connection with the Energy Efficiency Program.

12 “Series 2016B Projects” means the funding of a qualified energy conservation projects,
13 including the funding of low-interest energy efficiency loans for home and commercial property
14 owners, and/or public building energy conservation projects, including the installation of the
15 Financed Property, which qualify for financing with QECCB Bonds, and to pay additional
16 program and financing costs relating to the Energy Efficiency Program.

17 “Series 2016C Bonds” means the Corporation’s Taxable Energy Conservation Bonds,
18 (Energy Efficiency Program), Series 2016C, if issued, the proceeds of which will be used to fund
19 additional program and financing costs of the Energy Efficiency Program, including a debt
20 service fund for the Series 2016B Bonds and the Series 2016C Bonds, if any, costs of issuance
21 and capitalized interest on the Series 2016B Bonds and Series 2016C Bonds, if issued, and
22 funding a reserve fund, if any.

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1 “Trustee” means UMB Bank, N.A., or any successor trustee designated by the City’s
2 Treasurer.

3 “Underwriters” means the underwriter or underwriters with respect to the Series 2016B
4 Bonds and Series 2016C Bonds, if issued.

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

7 (a) It is in the best interest of the City to authorize and direct the Corporation to issue
8 its bonds to (i) fund the Series 2016B Projects, (ii) fund a debt service reserve
9 fund, if any, for the Series 2016B Bonds and Series 2016C Bonds, if issued, (iii)
10 fund capitalized interest on the Series 2016B Bonds and the Series 2016C Bonds,
11 if issued, and (iv) pay reasonable expenses incurred by the Corporation and the
12 City in connection with the issuance and sale of the Series 2016B Bonds and the
13 Series 2016C Bonds, if issued, all pursuant to the Indenture and the Bond
14 Purchase Agreement.

15 (b) The issuance by the Corporation of the Series 2016B Bonds and the Series 2016C
16 Bonds, if issued, and the sale and delivery thereof through a negotiated sale to the
17 Underwriters, to accomplish the purpose in subparagraph (a) of this Section 2, is
18 necessary and desirable for the City.

19 (c) It is in the best interests of the City to authorize and direct the Corporation to
20 execute and deliver the Corporation Documents and such other documents,
21 certificates and instruments as may be necessary or desirable to carry out and
22 comply with the intent of this Ordinance.

1 (d) It is in the best interests of the City to authorize and direct certain officials of the
2 City to enter into the City Documents and such other documents, certificates and
3 instruments as may be necessary or desirable to carry out and comply with the
4 intent of this Ordinance and to pay reasonable expenses incurred by the
5 Corporation and the City in connection with the issuance of the Series 2016B
6 Bonds and the Series 2016C Bonds, if issued.

7 **Section 3. Authority and Direction to Issue the Series 2016B Bonds and the Series**
8 **2016C Bonds.** The City hereby authorizes and directs the Corporation to issue one or more
9 series of its Taxable Qualified Energy Conservation Bonds (Energy Efficiency Program), Series
10 2016B and its Taxable Energy Conservation Bonds (Energy Efficiency Program), Series 2016C,
11 if any, in an aggregate principal amount not to exceed \$4,550,000 on behalf of the City for the
12 purposes set forth in Section 2(a) hereof. The Series 2016B Bonds and Series 2016C Bonds, if
13 issued, (i) shall have a final maturity not more than 20 years from their date of issuance, (ii) shall
14 bear a fixed rate of interest of not more than the maximum interest rate legally permissible by the
15 State, and (iii) may be sold at a premium or at a discount with such discount not to exceed the
16 maximum discount allowable under Missouri law. The final terms and provisions of the Series
17 2016B Bonds and Series 2016C Bonds, if issued, shall be as provided in the Indenture. Payment
18 of the Series 2016B Bonds and Series 2016C Bonds, if issued, will be subject to annual
19 appropriation of Rentals and Additional Rentals, as defined in the Lease Agreement, pursuant to
20 the Lease Agreement.

21 **Section 4. Designation of Series 2016B Bonds as “Qualified Energy Conservation**
22 **Bonds.”** The Board of Aldermen hereby irrevocably designates the Series 2016B Bonds as

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1 “qualified energy conservation bonds” under Section 54D of the Code and elects to receive cash
2 subsidy payments from the Treasury. Under Section 54D of the Code, Direct Interest Subsidy
3 Payments for QECCB Bonds may be made in the lesser of 100% of the interest due on the
4 applicable payment date on QECCB Bonds or 70% of the amount of interest that would have been
5 due on QECCB Bonds on the applicable payment date if the interest were determined at the tax
6 credit rate determined by the Treasury. The Series 2016C Bonds, if issued, are not designated as
7 “qualified energy conservation bonds” under Section 54D of the Code.

8 **Section 5. Limited Obligations.** The Series 2016B Bonds and the Series 2016C Bonds,
9 if issued, and the interest thereon shall be special, limited obligations of the Corporation payable
10 solely out of the Rentals and Additional Rentals, and other revenues, moneys and receipts derived
11 by the Corporation pursuant to the Lease Agreement, and are secured by a pledge and assignment
12 of the Trust Estate, as defined in the Indenture, in favor of the bondowners, as provided in the
13 Indenture. The Series 2016B Bonds and Series 2016C Bonds, if issued, and the interest thereon
14 shall not be a debt of the City or the State of Missouri (the “State”), and the City and the State shall
15 not be liable thereon, and the Series 2016B Bonds and the Series 2016C Bonds, if issued, shall not
16 constitute an indebtedness within the meaning of any constitutional, statutory or charter debt
17 limitation or restriction. The obligation of the City to make payments of Rentals and other
18 amounts under the Lease Agreement is subject to annual appropriation as provided therein.
19 Neither the obligation of the City to make such payments under the Lease Agreement nor the
20 Series 2016B Bonds and/or Series 2016C Bonds, if issued, does or shall constitute a debt of the
21 City. The issuance of the Series 2016A Bonds will not directly or contingently obligate the City to
22 make any payments beyond those appropriated for in its then current fiscal year.

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Section 6. Annual Appropriation. The Board of Aldermen hereby directs the officials of the City at any time charged with the responsibility of formulating budget proposals to include in each annual budget prepared and presented to the Board of Aldermen an appropriation of the amount necessary to pay Rentals and Additional Rentals under the Lease Agreement, without offset for any anticipated Treasury Direct Interest Subsidy Payments with respect to debt service on the Series 2016B Bonds in the next succeeding Fiscal Year.

Section 7. Authority and Direction to Execute and Deliver City Documents; Approval of Documents. The Mayor, the Comptroller, the Treasurer (as to permitted investments only), and other appropriate officials of the City are hereby authorized and directed to execute and deliver the City Documents in forms that are consistent with the provisions of this Ordinance, as such City Documents are approved as to form by the City Counselor, with the respective signatures of such officials thereon to be evidence of the approval of the City; and the Register of the City is hereby authorized and directed to affix the corporate seal of the City to the City Documents and to attest to the same.

Section 8. Authority and Direction to Execute and Deliver Corporation Documents; Approval of Documents. The City hereby authorizes and directs the Corporation to execute and deliver the Corporation Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, in such forms as shall be approved by the appropriate officers of the Corporation executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Corporation's approval thereof.

1 **Section 9. Authority and Direction to Obtain Credit Enhancement.** The City hereby
2 authorizes and directs the Corporation to obtain Credit Enhancement for the Series 2016B Bonds
3 and Series 2016C Bonds, if issued, from a Credit Provider if in the opinion of the Underwriters
4 and the Municipal Advisors, the use of Credit Enhancement will achieve an economic benefit for
5 the City. Any Credit Agreement executed in connection therewith may pledge Rentals and
6 Additional Rentals on a parity basis to payment of (i) debt service on the Series 2016A Bonds,
7 the Series 2016B Bonds, and the Series 2016C Bonds, if issued, and (ii) any amounts due and
8 owing to the Credit Provider under the Credit Agreement. The Comptroller is hereby authorized
9 to approve the terms of any agreement for Credit Enhancement with the Credit Provider, and the
10 Comptroller, with the advice of the City Counselor as to form thereof, is hereby authorized and
11 directed to execute such agreement for Credit Enhancement and other documents in connection
12 therewith as required to obtain the Credit Enhancement.

13 **Section 10. Authorization with Respect to Sale of the Series 2016B Bonds and the**
14 **Series 2016C Bonds, if issued.** The Mayor, the Comptroller, and other appropriate officials,
15 agents, and employees of the City are hereby authorized and directed to participate with the
16 Underwriters in the preparation of the Offering Document; the Mayor and the Comptroller are
17 hereby authorized and directed to execute and deliver the final Offering Document in a form that
18 is consistent with the provisions of this Ordinance, as is approved by the Mayor and the
19 Comptroller with the advice of the Underwriters, and the Municipal Advisors, and as is approved
20 as to form by the City Counselor, with the respective signatures of the Mayor and the
21 Comptroller thereon to be evidence of the approval of the City.

1 **Section 11. Authority and Direction to Sell the Series 2016B Bonds and Series**
2 **2016C Bonds in a Negotiated Sale or Private Placement.** In connection with the issuance of
3 the Series 2016B Bonds and Series 2016C Bonds, if issued, the City hereby authorizes and
4 directs the Corporation to negotiate the sale thereof with US Bancorp and other Underwriters
5 named in the Bond Purchase Agreement, subject to the provisions of this Ordinance, or to
6 authorize and direct a private placement of the Series 2016B Bonds and/or the Series 2016C
7 Bonds, if issued.

8 **Section 12. Selection of Municipal Advisor and Other Participants.** The City hereby
9 designates Public Financial Management, Inc. and TKG & Associates LLC as co-municipal
10 advisors for the transaction. The City hereby designates the Comptroller to select such other
11 advisors, counsel and participants to the proposed transaction as are desirable to further the
12 purposes of this Ordinance.

13 **Section 13. Further Authority.** The Mayor, the Comptroller, the Treasurer (as to
14 permitted investments only), the Register, and other appropriate officials, agents, and employees
15 of the City, with the advice and concurrence of the City Counselor, are hereby authorized and
16 empowered to take such further actions and execute such other documents, including, but not
17 limited to, any documents or forms necessary to qualify the Series 2016B Bonds as “Qualified
18 Energy Conservation Bonds” under the Code, as may be necessary or desirable to carry out and
19 comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of
20 the City with respect to the City Documents.

21 **Section 14. Superseding of Inconsistent Provisions.** The provisions of this
22 Ordinance hereby amend any provision of any ordinance of the City inconsistent with the terms

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1 hereof, including but not limited to Ordinance 69893, but only to the extent of such
2 inconsistency. References to the Series 2014 Bonds contained in Ordinance 69893 are hereby
3 amended to reference the Series 2016B Bonds and the Series 2016C Bonds, as applicable.

4 **Section 15. Emergency Clause.** The passage of this Ordinance shall be and is hereby
5 declared to be an emergency measure within the meaning of Article IV, Sections 19 and 20, of
6 the Charter of The City of St. Louis, and, as such, this Ordinance shall take effect immediately
7 upon its approval by the Mayor.

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