

BOARD BILL #248 **INTRODUCED BY ALDERMAN JOSEPH RODDY**

An ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the issuance and delivery of one or more series of tax increment revenue notes (St. Louis Innovation District/RPA 3 Redevelopment Project) Series A, Series B, and Series C (collectively, the “RPA 3 Notes”) in an aggregate principal amount not to exceed \$18,400,000, plus costs of issuance, for certain Reimbursable Redevelopment Project Costs associated with Redevelopment Project Area 3 of the St. Louis Innovation District Redevelopment Area in accordance with the terms of the Redevelopment Agreement (defined below); authorizing and directing the Mayor and the Comptroller to execute and deliver the Sixth Supplemental Trust Indenture in connection with the issuance of the RPA 3 Notes; authorizing and directing the taking of other actions and approval and execution of other documents as necessary or desirable to carry out and comply with the intent hereof; superseding provisions of prior ordinances of the City to the extent inconsistent with the terms hereof; and containing 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 City is authorized and empowered under the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the “TIF Act”), to issue bonds, notes or other obligations for the purpose of providing funds to finance the costs of certain redevelopment projects and to pay certain costs related to the issuance of such bonds, notes or other obligations; and

WHEREAS, pursuant to Ordinance No. 69389, the Board of Aldermen approved and adopted a plan for redevelopment titled the “St. Louis Innovation District Tax Increment Financing (TIF) Redevelopment Plan” dated October 15, 2012, and revised as of December 4, 2012, and January 11, 2013 (the “Original Redevelopment Plan”), for an area consisting of City Blocks 3971.13, 3970, 3968.13, 4589,

ORDINANCE NUMBER 70740

1 3904, 3917, 3966.13, 3967.13, 3962, 3961, 4586, 3918.04, 3919.04, 3953, 3960 and 3959, which area is
2 more fully described in said Ordinance (the “Redevelopment Area” or “Area”); and

3 WHEREAS, pursuant to Ordinance No. 69390, the Board of Aldermen authorized execution of a
4 Redevelopment Agreement (the “Original Redevelopment Agreement”) between the City and St. Louis
5 Innovation District, LLC (the “Developer”); and

6 WHEREAS, the Original Redevelopment Agreement was executed by the City and the Developer,
7 effective as of October 21, 2013; and

8 WHEREAS, pursuant to Ordinance No. 69524, 69722, and 69913 the Board of Aldermen
9 authorized execution of various amendments to the Redevelopment Agreement; and

10 WHEREAS, pursuant to Ordinance No. 70528, the Board of Aldermen authorized execution of an
11 Amended and Restated Redevelopment Agreement between the City and the Developer (the “A&R
12 Redevelopment Agreement”); and

13 WHEREAS, the A&R Redevelopment Agreement was executed by the City and the Developer,
14 effective as of July 12, 2017; and

15 WHEREAS, pursuant to Ordinance No. _____, the Board of Aldermen authorized execution of a
16 First Amendment to Amended and Restated Redevelopment Agreement (as amended, the “Redevelopment
17 Agreement”) making certain changes and additions to the Existing Redevelopment Agreement; and

18 WHEREAS, pursuant to Ordinance No. 69523, the Board of Aldermen approved a revision to the
19 Original Redevelopment Plan; and

20 WHEREAS, pursuant to Ordinance No. 70495, the Board of Aldermen approved and adopted an
21 Amended and Restated St. Louis Innovation District Tax Increment Financing (TIF) Redevelopment Plan
22 (the “Redevelopment Plan”) amending and restating the Original Redevelopment Plan, as previously
23 revised;

24 WHEREAS, pursuant to the TIF Act, the Board of Aldermen adopted Ordinance No. _____ on
25 _____, 2018, which Ordinance, among other things, (i) approved the RPA 3 Redevelopment

ORDINANCE NUMBER 70740

1 Project, as described in the Redevelopment Plan (the “RPA 3 Redevelopment Project”), (ii) adopted tax
2 increment financing within RPA 3 (as such area is described in the Redevelopment Plan) and (iii)
3 established the “RPA 3 Account” of the “St. Louis Innovation District Special Allocation Fund”; and

4 WHEREAS, pursuant to Ordinance No. 69525, the City and UMB Bank, N.A., as trustee, have
5 authorized a Trust Indenture (the “Original Indenture”) pursuant to which the City is authorized to issue
6 certain notes described therein;

7 WHEREAS, pursuant to Ordinance No. 69723, the City and UMB Bank, N.A., as trustee, have
8 authorized a Supplemental Trust Indenture (the “Supplemental Indenture”) pursuant to which the City is
9 authorized to issue certain notes described therein;

10 WHEREAS, pursuant to Ordinance No. 69913, the City and UMB Bank, N.A., as trustee, have
11 authorized a Second Supplemental Trust Indenture (the “Second Supplemental Indenture”) pursuant to
12 which the City is authorized to enter into certain agreements described therein to enable the Developer to
13 carry out its proposal for completion of the SSTIF Projects and facilitate the issuance of SSTIF Obligations
14 by the IDA in connection with the SSTIF Projects (all as defined therein);

15 WHEREAS, pursuant to Ordinance No. 70529, the City and UMB Bank, N.A., as trustee, have
16 authorized a Third Supplemental Trust Indenture (the “Third Supplemental Indenture”), pursuant to which
17 the boundaries of RPA 1A(I) and RPA 4 were adjusted and certain additional revenues were pledged; and

18 WHEREAS, pursuant to Ordinance No. 70530, the City and UMB Bank, N.A., as trustee, have
19 authorized a Fourth Supplemental Trust Indenture (the “Fourth Supplemental Indenture”), pursuant to
20 which the City is authorized to issue certain notes described therein; and

21 WHEREAS, pursuant to Ordinance No. 70690, the City and UMB Bank, N.A., as trustee, have
22 authorized a Fifth Supplemental Trust Indenture (the “Fifth Supplemental Indenture” and, collectively with
23 the Original Indenture, the Supplemental Indenture, the Second Supplemental Indenture, the Third
24 Supplemental Indenture, and the Fourth Supplemental Indenture, the “Existing Indenture”); and

1 WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best
2 interest of the City and of its inhabitants that the City authorize and direct the Mayor and the Comptroller
3 to execute and deliver a Sixth Supplemental Trust Indenture in substantially the form of **Exhibit A** hereto
4 (the “Sixth Supplemental Indenture” which, together with the Existing Indenture, is referred to herein as
5 the “Indenture”) (a) authorizing and directing the issuance of the City’s (i) Tax Increment Revenue Notes
6 (St. Louis Innovation District/RPA 3 Redevelopment Project), Series A (the “RPA 3 Series A Notes”) in
7 an aggregate principal amount not to exceed \$5,000,000, plus Issuance Costs, and (ii) Tax Increment
8 Revenue Notes (St. Louis Innovation District/RPA 3 Redevelopment Project), Series B (the “RPA 3 Series
9 B Notes”), in an aggregate principal amount not to exceed \$5,000,000, less principal amount of the RPA 3
10 Series A Notes, plus Issuance Costs, (iii) Tax Increment Revenue Notes (St. Louis Innovation District/RPA
11 3 Redevelopment Project), Series C (the “RPA 3 Series C Notes” and, together with the RPA 3 Series A
12 Notes and the RPA 3 Series B Notes, the “RPA 3 Notes”), in an aggregate principal amount not to exceed
13 \$18,400,000, less the principal amounts of the RPA 3 Series A Notes and the RPA 3 Series B Notes, plus
14 Issuance Costs as evidence of the City’s obligation to pay certain Reimbursable Redevelopment Project
15 Costs incurred in furtherance of the Redevelopment Plan and the RPA 3 Redevelopment Project; (b)
16 pledging certain additional revenues from RPA 3 to the repayment of the RPA 3 Notes, (c) establishing
17 subaccounts in the RPA 3 Accounts for the RPA 3 Notes, and (d) designating UMB Bank. N.A., as trustee
18 (the “Trustee”) for the RPA 3 Notes;

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

20 **Section 1. Definitions.** Capitalized terms used herein and not otherwise defined in this
21 Ordinance or the preambles hereto shall have the meanings ascribed to such terms in the Indenture.

22 **Section 2. Findings and Determinations.** The Board of Aldermen hereby finds and
23 determines that it is necessary and in the best interests of the City:

24 (a) to authorize the issuance of the RPA 3 Notes to fund certain Reimbursable Redevelopment
25 Project Costs for the RPA 3 Redevelopment Project;

- 1 (b) to authorize and direct the issuance of the RPA 3 Notes pursuant to the terms of the
- 2 Indenture;
- 3 (c) to authorize and direct the Mayor and Comptroller to enter into the Sixth Supplemental
- 4 Indenture;
- 5 (d) to designate the Trustee for the RPA 3 Notes; and
- 6 (e) to take certain other actions as herein provided.

7 **Section 3. Authority and Direction to Issue the RPA 3 Notes.** The City hereby authorizes
8 and directs the issuance of the RPA 3 Series Notes in an aggregate principal amount not to exceed
9 \$18,400,000, plus Issuance Costs, for the purposes set forth in Section 2 hereof. The terms and provisions
10 of the RPA 3 Notes shall be as provided in the Indenture.

11 **Section 4. Special, Limited Obligations.** The RPA 3 Notes and the interest thereon shall be
12 special, limited obligations of the City payable solely from the Pledged Revenues and other moneys pledged
13 thereto and held by the Trustee as provided in the Indenture, and shall be secured by a transfer, pledge, and
14 assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners
15 of the RPA 3 Notes, as provided in the Indenture. The RPA 3 Notes and the interest thereon shall not
16 constitute a debt of the City, the State, or any political subdivision thereof, and shall not constitute an
17 indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

18 **Section 5. Private Sale.** The Board of Aldermen of the City hereby declares that it is in the
19 City's best interest to sell the RPA 3 Notes at private sale because a public sale of the RPA 3 Notes would
20 cause additional expense to the City and because the condition of the current financial markets makes such
21 a public sale not feasible or the best course of action for the City.

22 **Section 6. Authority and Direction to Execute and Deliver Documents.** The Board of
23 Aldermen hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed
24 to execute and deliver, on behalf of the City, the Sixth Supplemental Indenture, in substantially the form
25 attached hereto as **Exhibit A**, and the RPA 3 Notes and the City Register is hereby authorized and directed

1 to attest to the Sixth Supplemental Indenture and the RPA 3 Notes and to affix the seal of the City thereto.
2 The Sixth Supplemental Indenture shall be in substantially the form attached, with such changes therein as
3 shall be approved by said Mayor and Comptroller executing the same and as may be consistent with the
4 intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

5 **Section 7. Further Authority.** The Mayor and the Comptroller or their designated
6 representatives, with the advice and concurrence of the City Counselor, are hereby further authorized and
7 directed to make any changes to the documents, agreements, and instruments approved and authorized by
8 this Ordinance as may be consistent with the intent of this Ordinance and necessary and appropriate in order
9 to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary
10 to authorize such changes by the Mayor and the Comptroller or their designated representatives.

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

19 **Section 9. Governing Law.** This Ordinance shall be governed exclusively by and construed
20 in accordance with the applicable laws of the State of Missouri.

21 **Section 10. Effective Date.** After adoption of this Ordinance by the Board of Aldermen, this
22 Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto.

23 **Section 11. Superseding of Inconsistent Provisions.** The provisions of this Ordinance
24 hereby amend any provision of any ordinance of the City inconsistent with the terms hereof, but only to the
25 extent of such inconsistency.

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EXHIBIT A
FORM OF SIXTH SUPPLEMENTAL TRUST INDENTURE
(Attached hereto.)

BOARD BILL FISCAL NOTE

(Board Bills 248 & 249)

Preparer's Name: St. Louis Development Corporation staff

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Bill Sponsor: Alderman Joseph Roddy

Bill Synopsis:	Board Bills 248 and 249 collectively approve (1) adoption of tax increment financing within Redevelopment Project Area 3 (RPA 3) of the St. Louis Innovation District Redevelopment Area, (2) a First Amendment to Amended and Restated Redevelopment Agreement between the City and St. Louis Innovation District, LLC (the "Developer") and (3) a Sixth Supplemental Trust Indenture in connection with TIF Notes relating to RPA 3. The purpose of these bills is to implement tax increment financing (and the associated TIF Note financing mechanism) for the RPA 3 Redevelopment Project. The initial phase of the RPA 3 Redevelopment Project will include the renovation of the historic Crescent Building. Other phases of the RPA 3 Redevelopment Project may include construction or rehabilitation of office/research space and the construction of a new parking garage. Similar ordinances were previously adopted to implement tax increment financing for RPAs 1A(I), 1A(II), 1B, 5 and 7.
Type of Impact:	Tax increment financing allows for new, incremental revenues generated from a redevelopment project to be used to reimburse a developer for a portion of the costs associated with constructing the redevelopment project. Accordingly, all taxing districts, including the City, will continue to receive the tax revenue currently generated from RPA 3, but will not receive all of the incremental taxes generated from new development in RPA 3 for up to 23 years. An analysis of the RPA 3 Redevelopment Project prepared by SLDC is attached.

Agencies Affected:	Redevelopment projects facilitated by tax increment financing will require building inspections and permits, as provided by the City Code. While tax increment financing is in effect, a portion of the tax revenues generated from the redevelopment area will be diverted to reimburse the developer (or sub-developer) for redevelopment project costs.

SECTION A

Does this bill authorize:

- An expansion of services which entails additional costs beyond that approved in the current adopted city budget? ___Yes ___X___No.
- An undertaking of a new service for which no funding is provided in the current adopted city budget? ___Yes ___X___No.
- A commitment of city funding in the future under certain specified conditions? ___X___Yes ___No.

Subject to the terms of the Redevelopment Agreement, the Developer will advance (or cause to be advanced by Sub-Developers) all costs of constructing the RPA 3 Redevelopment Projects, but will be reimbursed for a portion of those costs through the issuance of TIF Notes.

- An issuance of bonds, notes and lease-purchase agreements which may require additional funding beyond that approved in the current adopted city budget? ___X___Yes ___No.

Subject to the terms of the Redevelopment Agreement, the City will need to appropriate TIF revenues to the repayment of the TIF Notes. Please note that, to the extent those revenues are not generated as expected (i.e., if the RPA 3 Redevelopment Project underperforms expectations), the City will have no obligation to use other revenues to make up any shortfall.

- An execution or initiation of an activity as a result of federal or state mandates or requirements? ___Yes ___X___No.
- A capital improvement project that increases operating costs over the current adopted city budget? ___Yes ___X___No.
- A capital improvement project that requires funding not approved in the current adopted city budget or that will require funding in future years? ___Yes ___X___No.

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SECTION B

- Does the bill require the construction of any new physical facilities? Yes No.

- If yes, describe the facilities and provide the estimated cost:

- Is the bill estimated to have a direct fiscal impact on any city department or office? Yes No.

- If yes, explain the impact and the estimated cost:

The Comptroller's office and St. Louis Development Corporation (including the Minority Business Development and Compliance Office) will incur costs associated with administering the RPA 3 Redevelopment Project and the Redevelopment Agreement. However, the Redevelopment Agreement provides a source of funding for those costs, including (1) direct payments by the Developer and (2) use of a portion of the TIF revenues. Neither the Comptroller's office nor the St. Louis Development Corporation anticipate needing any further funding to cover the costs of administering the Redevelopment Projects and Redevelopment Agreement.

The City's Building Division will also have costs associated with various inspections and permits. However, those costs should be covered by the City's permit fees.

- Does the bill create a program or administrative subdivision? Yes No.

- If yes, then is there a similar existing program or administrative subdivision? Yes No.

- If yes, explain the how the proposed programs or administrative subdivisions may overlap:

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

As noted above, the Comptroller's office and the St. Louis Development Corporation will have various administrative costs associated with the RPA 3 Redevelopment Project and the Redevelopment Agreement, which will be paid by the Developer or with TIF revenues, as provided in the Redevelopment Agreement. The City's Building Division will also have costs associated with providing inspections and permits. Similar to any other construction project in the City, these costs should be covered by permit fees.

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

NOT APPLICABLE

Financial Estimate of Impact on General Fund			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures			
Additional Revenue			
Net			
Financial Estimate of Impact on Special Funds			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures			
Additional Revenue			
Net			

- Describe any assumptions used in preparing this fiscal note:

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

Review of the Board Bills and related documents was provided by attorneys in the City Counselor's office (who are assigned to the St. Louis Development Corporation), outside counsel to St. Louis Development Corporation (Gilmore & Bell, P.C.) and outside counsel to the Comptroller's Office (SmithAmundsen LLC).

- Have the financial estimates of this bill been verified by the City Budget Division?
_____Yes __X__No.
 - If yes, by whom? _____ .