

St. Louis City Ordinance 65042

FLOOR SUBSTITUTE
BOARD BILL NO. [00] 121

INTRODUCED BY ALDERMAN FRANCIS G. SLAY

AN ORDINANCE RECOMMENDED BY THE BOARD OF ESTIMATE AND APPORTIONMENT AUTHORIZING AND DIRECTING THE COMPTROLLER, ON BEHALF OF THE CITY, TO ENTER INTO AND EXECUTE CONTRACTS TO HEDGE INTEREST RATE RISKS ASSOCIATED WITH THE CITY'S APPROVED 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") FOR TWENTY MILLION DOLLARS (\$20,000,000) IN SECTION 108 LOAN GUARANTEE PROGRAM FUNDS FOR THE DARST-WEBBE (NEAR SOUTHSIDE) HOPE VI REVITALIZATION PLAN ("THE DARST-WEBBE SECTION 108 LOAN"), INCLUDING, BUT NOT LIMITED TO, DOCUMENTS NECESSARY FOR THE PURCHASE OF A LIBOR CAP AND THE EXECUTION OF A TREASURY RATE LOCK AGREEMENT; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, the Board of Aldermen did on July 24, 1998 approve Ordinance No. 64445, authorizing and directing the Mayor, on behalf of the City of St. Louis (the "City"), to make application to HUD under the Act for Section 108 Loan Guarantee Assistance in the amount of Fifty Million Dollars (\$50,000,000), and authorizing and directing the Mayor and the Comptroller, on behalf of the City, to execute a contract or contracts for loan guarantee assistance and promissory note(s) with HUD, and to receive, use and appropriate Twenty Million Dollars (\$20,000,000) of such Section 108 Loan Guarantee Assistance for the Darst-Webbe (Near Southside) Hope VI Revitalization Plan; and

WHEREAS, On June 19, 2000, HUD approved the City's application for Twenty Million Dollars (\$20,000,000) in Section 108 Loan Guarantee Assistance to be used and appropriated for the Darst-Webbe (Near Southside) Hope VI Revitalization Plan; and

WHEREAS, the City expects to enter into interim financing with HUD in connection with the Darst-Webbe Section 108 Loan with a LIBOR-based floating interest rate until the Darst-Webbe Section 108 Loan is part of a public offering of HUD Section 108 obligations at which time the Darst-Webbe Section 108 Loan will be converted to a fixed rate obligation; and

WHEREAS, the Board of Aldermen hereby determines that it is in the best interest of the City to execute a contract or contracts and such other documents as are necessary to hedge the interest rate risks during the interim financing period of the Darst-Webbe Section 108 Loan as well as the ultimate interest rate set at applicable public offering of HUD Section 108 obligations.

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

SECTION 1: The Comptroller, on behalf of the City of St. Louis, is hereby authorized and directed to execute, seal, attest, and deliver a contract or contracts and such other documents, certificates and instruments as may be necessary or desirable to hedge the interest rate risks during the interim financing period of the Darst-Webbe Section 108 Loan as well as the ultimate interest rate set at the applicable public offering of HUD Section 108 obligations, including, but not limited to, purchasing and executing documents relating to a LIBOR Cap and/or a Treasury Lock.

SECTION 2: The costs of purchasing such hedges, if any, shall be paid from project revenues.

SECTION 3: If any section, paragraph, sentence, clause or other portion of this Ordinance is found by a court of competent jurisdiction to be illegal or unconstitutional, the remaining provision of this Ordinance shall be valid unless the court finds the valid portions are so essentially and inseparably connected with, and so dependent on, the invalid portions that it cannot be presumed that the Board of Aldermen would have enacted the valid portions without the invalid portions, or unless the court finds the valid portions, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

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Legislative History				
1ST READING	REF TO COMM	COMMITTEE	COMM SUB	COMM AMEND
06/30/00	06/30/00	HUDZ		
2ND READING	FLOOR AMEND	FLOOR SUB	PERFECTN	PASSAGE
07/14/00			07/21/00	07/21/00
ORDINANCE	VETOED	VETO OVR	SIGNED BY MAYOR	
65042			08/09/00	