

**BOARD BILL #5**

**INTRODUCED BY ALDERMAN STEPHEN CONWAY**

1           An ordinance recommended by the Board of Estimate and Apportionment authorizing  
2 and directing the Comptroller of the City of St. Louis, Missouri (the “City”) to obtain a credit  
3 facility (the “Credit Facility”) for the purpose of securing the outstanding City Justice Center  
4 Bonds (as defined herein), for the general welfare, safety, and benefit of the citizens of the City;  
5 authorizing the Comptroller of the City to execute and deliver a promissory note (the “Note”)  
6 payable to Bank of America, N.A. (the “Bank”) pursuant to which the Bank will issue the Credit  
7 Facility; authorizing the payment of certain obligations due to the Bank under the Note;  
8 authorizing the Mayor, the Comptroller, and any other appropriate City officials, if necessary, to  
9 execute any other documents related to the Note and the Credit Facility; authorizing and  
10 directing the taking of other actions and approval and execution of other documents as necessary  
11 or desirable to carry out and comply with the intent hereof; and containing an emergency clause.

12           **WHEREAS**, the Board of Aldermen of the City has previously authorized and directed  
13 the issuance by the St. Louis Municipal Finance Corporation (the “Corporation”) of its City  
14 Justice Center Leasehold Revenue Improvement Bonds, Series 1996A Bonds (the “Series 1996A  
15 Bonds”) and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds,  
16 Series 1996B (the “Series 1996B Bonds”) pursuant to an Indenture of Trust between the  
17 Corporation and UMB Bank of St. Louis, N.A., as trustee (the “Trustee”), dated as of August 1,  
18 1996 (the “Master Indenture”) and a First Supplemental Indenture of Trust between the  
19 Corporation and the Trustee, dated as of August 1, 1996 (the “First Supplemental Indenture”) to  
20 finance the refunding of certain bonds previously issued by the Corporation, the proceeds of  
21 which were used to finance part of the St. Louis Jail Facilities (as defined in the Master  
22 Indenture) and completion of the Project (as defined in the Master Indenture and the First

1 Supplemental Indenture), none of which Series 1996A Bonds are currently outstanding, and  
2 which Series 1996B Bonds are currently outstanding in the amount of \$10,835,000;

3         **WHEREAS**, the Board of Aldermen of the City has previously authorized and directed  
4 the issuance by the Corporation of its City Justice Center Leasehold Revenue Improvement  
5 Bonds, Series 2000A (the “Series 2000A Bonds”) pursuant to the Master Indenture and a Second  
6 Supplemental Indenture of Trust between the Corporation and the Trustee, dated as of February  
7 1, 2000 (the “Second Supplemental Indenture”) to finance the costs of completion of the City  
8 Justice Center (as defined in the Master Indenture), which Series 2000A Bonds are currently  
9 outstanding in the amount of \$1,015,000;

10         **WHEREAS**, the Board of Aldermen of the City has previously authorized and directed  
11 the issuance by the Corporation of its City Justice Center Leasehold Revenue Refunding Bonds,  
12 Series 2001A, authorized by the City as the Series 2000B Bonds (the “Series 2001A Bonds”)  
13 pursuant to the Master Indenture and a Third Supplemental Indenture of Trust between the  
14 Corporation and the Trustee, dated as of September 1, 2001 (the “Third Supplemental  
15 Indenture”) to finance the costs of refunding certain Series 1996A Bonds, which Series 2001A  
16 Bonds are currently outstanding in the amount of \$58,195,000;

17         **WHEREAS**, the Board of Aldermen of the City has previously authorized and directed  
18 the issuance by the Corporation of its City Justice Center Leasehold Revenue Refunding Bonds,  
19 Series 2005 (the “Series 2005 Bonds”) pursuant to the Master Indenture and a Fourth  
20 Supplemental Indenture of Trust between the Corporation and the Trustee, dated as of September  
21 1, 2005 (the “Fourth Supplemental Indenture”) to finance the costs of refunding certain Series  
22 2000A Bonds, which Series 2005 Bonds are currently outstanding in the amount of \$14,995,000;

1           **WHEREAS**, the outstanding Series 1996B Bonds, Series 2000A Bonds, and Series  
2 2001A Bonds are secured by a standby letter of credit (the “Letter of Credit”) issued by Bank of  
3 America, N.A. as credit provider (the “Credit Provider”), pursuant to that certain Application and  
4 Agreement for Standby Letter of Credit dated February 6, 2009 between the City and the Credit  
5 Provider, and by cash and investments on deposit in a debt service reserve fund established under  
6 the Master Indenture (the “Debt Service Reserve Fund”);

7           **WHEREAS**, the outstanding Series 2005 Bonds are secured by the Letter of Credit, a  
8 surety bond (“Surety Bond”) issued by Ambac Assurance Corporation (“Ambac”), and by cash  
9 and investments on deposit in the Debt Service Reserve Fund;

10           **WHEREAS**, the City and the Corporation have entered in a certain Lease Purchase  
11 Agreement dated as of August 1, 1996, as amended and supplemented by the First Supplemental  
12 Lease Agreement dated as of February 1, 2000, and the Second Supplemental Lease Agreement  
13 dated as of September 1, 2005 pursuant to which the City is obligated to make certain lease  
14 payments to be used, in part, by the Trustee to pay the principal of and interest on the Series  
15 1996B Bonds, Series 2000A Bonds, Series 2001A Bonds, and Series 2005 Bonds (collectively,  
16 the “City Justice Center Bonds”) and to fund the Debt Service Reserve Fund, as provided  
17 therein;

18           **WHEREAS**, the City utilized a portion of the cash and investments on deposit in the  
19 Debt Service Reserve Fund in order to pay certain principal and interest payments due on the  
20 City Justice Center Bonds as of February 15, 2009;

1           **WHEREAS**, the City previously expected to replace such cash and investments with an  
2 additional surety bond committed to and to be issued by Ambac securing the outstanding City  
3 Justice Center Bonds (an “Additional Surety Bond”);

4           **WHEREAS**, Ambac’s ratings by Moody’s Investors Service, FitchRatings, and/or  
5 Standard & Poor’s Ratings Services have been downgraded so that, as of the date hereof, the  
6 Surety Bond does not, nor would an Additional Surety Bond, satisfy the rating requirement (the  
7 “Rating Requirement”) set forth in the Master Indenture, as supplemented by the First  
8 Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, and  
9 Fourth Supplemental Indenture (collectively, the “Indenture”);

10           **WHEREAS**, the Comptroller of the City has determined that it is in the best interest of  
11 the City (i) to execute the Note, (ii) to obtain the Credit Facility in a par amount not to exceed  
12 \$12,485,000, and (iii) to use the proceeds of the Credit Facility (a) to pay the costs of obtaining  
13 the Credit Facility, and (b) to make a deposit into the Debt Service Reserve Fund sufficient to  
14 replace the cash and investments which were used to make certain principal and interest  
15 payments on the City Justice Center Bonds on February 15, 2009, and to satisfy the Debt Service  
16 Reserve Fund requirements under the Indenture; and

17           **WHEREAS**, it is necessary and desirable in connection with the obtaining of the Credit  
18 Facility for the City to execute and deliver certain documents and take certain other actions as  
19 herein provided.

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

1           **Section 1.     Findings and Determinations.** The Board of Aldermen hereby finds and

2 determines that it is necessary and in the best interests of the City:

3           (a)     to execute the Note;

4           (b)     to obtain the Credit Facility in a par amount not to exceed \$12,485,000; and

5           (c)     to use the proceeds of the Credit Facility (1) to pay the costs of obtaining the  
6 Credit Facility, and (2) to make a deposit into the Debt Service Reserve Fund sufficient to  
7 replace the cash and investments which were used to make certain principal and interest  
8 payments on the City Justice Center Bonds on February 15, 2009 and to satisfy the Debt Service  
9 Reserve Fund requirements under the Indenture, and the Board of Aldermen hereby appropriates  
10 such proceeds of the Credit Facility for payment of the costs of obtaining the Credit Facility and  
11 for payment into the Debt Service Reserve Fund for said purposes.

12           **Section 2.     Authorization with Respect to Execution and Delivery of Documents.**

13 The Comptroller of the City is hereby authorized and directed to execute and deliver the Note  
14 and such other documents, certificates, and instruments as may be necessary or desirable to  
15 facilitate the issuance by the Bank of the Credit Facility and to carry out and comply with the  
16 intent of this Ordinance, in substantially such forms not inconsistent with the provisions of this  
17 Ordinance, as the Comptroller shall approve with the advice of P.G. Corbin & Company, Inc.,  
18 the financial advisor to the City with respect to the City Justice Center Bonds, and Armstrong  
19 Teasdale LLP, bond counsel, and which the City Counselor shall approve as to form, and the  
20 signature of the Comptroller shall be conclusive as to the approval of such changes or  
21 modifications by the City. The terms and provisions of the Credit Facility shall be as provided  
22 for in the Note.

1           **Section 3.    Limited Obligation.** The obligation of the City to make payments of  
2 principal and interest and to pay other amounts under the Note, if any, is subject to annual  
3 appropriation as provided therein. The obligation of the City to make such payments under the  
4 Note shall not constitute a debt of the City and shall not directly or contingently obligate the City  
5 to make any payments beyond those appropriated for its then current fiscal year.

6           **Section 4.    Further Authority.** The Comptroller and other appropriate officers,  
7 agents, and employees of the City are hereby authorized to take such further actions and execute  
8 such other documents as may be necessary or desirable to carry out and comply with the intent of  
9 this Ordinance, and to carry out, comply with and perform the duties of the City with respect to  
10 the Credit Agreement.

11           **Section 5.    Emergency Clause.** By making an appropriation for the payment of  
12 principal or interest of the public debt or for current expenses of the City government, this  
13 Ordinance shall be and is hereby declared to be an emergency measure within the meaning of  
14 Article IV, Sections 19 and 20, of the Charter of the City of St. Louis, and, as such, this  
15 ordinance shall take effect immediately upon its approval by the Mayor.