

**FLOOR SUBSTITUTE FOR
BOARD BILL #101 INTRODUCED BY ALDERWOMAN PHYLLIS YOUNG**

1 An ordinance authorizing and directing the Mayor and Comptroller of the City of St. Louis to
2 execute, upon receipt of and in consideration of the sum of One Hundred Ninety Thousand
3 Dollars (\$190,000.00), a Quit Claim Deed to remise, release and forever quit-claim, unto Grace
4 Hill Health Centers, Inc., a Missouri non-profit corporation, certain City-owned property located
5 in City Block 1335, which property is known as 2220 Lemp Avenue, St. Louis, Missouri 63104
6 (Assessor's Records 2220 Lemp), recently appraised at One Million Nine Hundred Thousand
7 Dollars, and containing an reversionary and emergency clause.

8

9 WHEREAS, the City of St. Louis ("City") by Ordinance No. 66745 entered into a Lease
10 Agreement for up to Twenty Five (25) years with Grace Hill Health Centers, Inc. (sometimes
11 herein called "Grace Hill"), dated October 21, 2005, to secure and provide primary healthcare,
12 wellness, child day care, adult day care and other social services and to lease the operation of a
13 medical clinic in the City at 2220 Lemp Avenue; and

14 WHEREAS, Grace Hill secured a certain grant from HHS, Award No. C8ACS21253-01-00, of
15 approximately Two Million Two Hundred Thousand Dollars for improvements to said medical
16 clinic; and

17 WHEREAS, Grace Hill improved said medical clinic in an amount of approximately One
18 Million Five Hundred Thousand Dollars and will with that certain grant expend an additional
19 approximately Eight Hundred Thousand Dollars and, pursuant to a First Amendment to the

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1 Lease Agreement under Ordinance No. 68856, added certain related administrative functions and
2 its required information systems in addition to the aforementioned services; and

3 WHEREAS, Grace Hill will further improve said medical clinic and shall continue to maintain
4 the secured and provided services, as described herein, and

5 WHEREAS, the City now desires to sell the medical clinic at 2220 Lemp Avenue to Grace Hill.

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

7 **SECTION ONE.** The Mayor and Comptroller are hereby authorized and directed to execute,
8 upon receipt of and in consideration of the sum of One Hundred Ninety Thousand Dollars
9 (\$190,000.00) a Quit Claim Deed, attached hereto as **Exhibit A**, to remise, release and forever
10 quit-claim unto, Grace Hill Health Centers, Inc., a Missouri non-profit corporation, certain City-
11 owned property located in City Block 1335, which property is known as 2220 Lemp Avenue, St.
12 Louis, Missouri 63104 (Assessor’s Records 2220 Lemp), and which is more fully described in
13 said **Exhibit A**.

14 **SECTION TWO. Reversionary Clause.** Title to the Property shall revert to the City if Grace
15 Hill Health Centers, Inc. (“GHHC”):

- 16 A. Contracts to sell or sells the property; or
- 17 B. No longer operates the Property as a health clinic; or
- 18 C. Assigns its interests in the Property or otherwise transfers the Property or any of
19 its interests therein to any entity other than an entity approved by the City of St. Louis
20 Board of Estimate and Apportionment, in that Board’s sole discretion. If that Board

1 approves an assignment to a successor entity, that successor entity shall be bound by
2 the terms of this Reverter.

3 1. The City's reversionary interest is and shall remain subordinate to: (a) the Federal
4 interest in favor of HRSA (the "Federal Interest") recorded in Book 03082011, Page [0314
5 (Soulard-Benton)][0315 (Murphy-O'Fallon)] of the City Real Estate Records; and (b) any
6 security interest granted by GHHC to secure private financing used exclusively for the
7 improvement of or the furnishing and equipping of the Property (the "Bank Debt") until such
8 interests no longer encumber the Property. The Property shall not be used to secure any
9 Bank Debt for any purpose other than the improvement of or the furnishing and equipping of
10 the Property.

11 2. Notwithstanding the foregoing, title to the Property shall not revert to the City in the
12 event of a sale if:

13 (a) GHHC or another entity relocates the clinic operations to another site and commits to
14 provide, for a **minimum of twenty years** following the date of the closing of GHHC's
15 purchase of the Property from the City, an equal or greater number of clinicians continuing to
16 provide health and dental care of comparable quality to the same types and numbers of
17 clients served by the Property in the calendar year prior to the date of this Deed, at a location
18 easily accessible to such clients and within the City of St. Louis, and such location,
19 commitment, and entity are satisfactory to the City of St. Louis Board of Estimate and
20 Apportionment in such Board's sole discretion; or

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(b) (This clause shall apply only if GHHC sells but fails to satisfy condition A above).

GHHC pays to the City an amount equal to the following, which amount shall be calculated in a manner satisfactory to the City of St. Louis Board of Estimate and Apportionment:

(1) The total purchase price for the property, less:

- i. The amount, if any, required to discharge the Federal Interest.
- ii. The amount, if any, required to discharge any Bank Debt secured by a lien on the Property, but only if the proceeds of such debt were used exclusively for the purpose of improving the Property and providing furnishings, fixtures and equipment for the Property, and ownership of the furnishings, fixtures and equipment will be transferred to the buyer of the Property upon closing of the sale; and
- iii. Payments made by GHHC with GHHC Funds for acquisition of and improvements (but not maintenance) to the real property; and
- iv. Payments made by GHHC with GHHC Funds, to reduce the principal amount of any Bank Debt secured by a lien on the Property, but only if the proceeds of such debt were used for the purpose of improving the Property and providing furnishings, fixtures and equipment for the Property and ownership of the furnishings, fixtures and equipment will be transferred to the buyer of the Property upon closing of the sale.

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- v. Closing costs associated with the sale of the Property that are paid with GHHC Funds and not reimbursed by the buyer at closing.

“GHHC Funds” means any funds under the control of GHHC except that GHHC Funds do not include proceeds of loans secured by the Property or the proceeds of any federal, state or city loans or grants.

(2) Multiplied by, if the result of the foregoing calculation is greater than zero:

- i. Within the first five calendar years following the date of the conveyance Deed: 75%.
- ii. Within the sixth through fifteenth calendar years following the date of the conveyance Deed: 50%.
- iii. Within the sixteenth through twentieth years following the date of the conveyance Deed: 25%.
- iv. Within the twenty-first year following the Date of the conveyance Deed or thereafter: 0%.

3. If within 20 years after GHHC’s purchase of the Property from the City, GHHC receives an offer to purchase the Property, GHHC shall not enter into any binding contract for sale unless GHHC first notifies the City of said offer to purchase. In that case, the City may, in its sole discretion, (a) require GHHC to assign the offer to the City for the City to negotiate and pursue, and, at the closing of any resulting sale, GHHC shall deed all of its interests in the

1 Property for the amount remaining, if any, after the application of the calculations set forth in
2 Paragraph 3 above; or (b) require GHHC to deed all of its interests in the Property to the City, in
3 consideration of the City's (1) discharge of the interests listed in subparagraphs 3(a)(i) and
4 3(a)(ii) above, but only if required by a particular interest; and (2) payment to GHHC of any
5 amounts described in subparagraphs 3(a)(iii) and 3(a)(iv) above.

6 **SECTION THREE.** Emergency Clause. This ordinance, being necessary for the immediate
7 preservation of public peace, health, safety, and general welfare, shall be and is hereby declared
8 to be an emergency measure within the meaning of Sections 19 and 20 of Article IV of the
9 Charter of the City of St. Louis and, as such, this ordinance shall take effect immediately upon its
10 passage and approval by the Mayor.

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EXHIBIT A

QUIT CLAIM DEED

THIS DEED, made and entered into this ____ day of _____ 2011, by and between the City of Saint Louis, a municipal corporation of the State of Missouri, 1200 Market Street, St. Louis, Missouri 63103, (Grantor), and Grace Hill Health Centers, Inc., a Missouri non-profit corporation, whose address is 2600 Hadley Street, St. Louis, Missouri 63106, (Grantee).

WITNESSETH, that the said Grantor, for and in consideration of the sum of **One Hundred Ninety Thousand Dollars (\$190,000.00)** to it paid by the said Grantee, the receipt of which is hereby acknowledged, does by these presents Remise, Release, and Quit-Claim unto the said Grantee, the following described Real Estate, situated in the City of Saint Louis and State of Missouri, to-wit:

See Exhibit 1 attached hereto and incorporated into this deed.

Subject to restrictions, covenants, and easements of record, and to the reverter provisions attached hereto as **Exhibit 2** and incorporated herein..

TO HAVE AND TO HOLD the same, together with all rights and appurtenances to the same belonging, unto the said Grantee, and to its heirs and assigns, so that neither the said Grantor, nor its heirs, nor any other person or persons for it or in its name or behalf, shall or will

hereafter claim or demand any right or title to the aforesaid premises, or any part thereof, but they and every one of them shall, by these presents, be excluded and forever barred. **Notwithstanding this Quit-Claim Deed is subject to the Reversionary Clause as set forth in Ordinance_____.**

IN WITNESS WHEREOF, the said Grantor and Grantee have executed these presents the day and year first above written.

THE CITY OF SAINT LOUIS
(Grantor)

**GRACE HILL HEALTH CENTERS,
INC.**
(Grantee)

BY: _____
Francis G. Slay
Mayor

By: _____
Alan O. Freeman, President

BY: _____
Darlene Green
Comptroller

Approved as to form:

City Counselor

Attest:

Parrie L. May
City Register

EXHIBIT 1

Exhibit 2 to Quit Claim Deed

Reversionary Clause. Title to the Property shall revert to the City if Grace Hill Health Centers, Inc. (“GHHC”):

- D. Contracts to sell or sells the property; or
- E. No longer operates the Property as a health clinic; or
- F. Assigns its interests in the Property or otherwise transfers the Property or any of its interests therein to any entity other than an entity approved by the City of St. Louis Board of Estimate and Apportionment, in that Board’s sole discretion. If that Board approves an assignment to a successor entity, that successor entity shall be bound by the terms of this Reverter.

1. The City’s reversionary interest is and shall remain subordinate to: (a) the Federal interest in favor of HRSA (the “Federal Interest”) recorded in Book 03082011, Page [0314 (Soulard-Benton)][0315 (Murphy-O’Fallon)] of the City Real Estate Records; and (b) any security interest granted by GHHC to secure private financing used exclusively for the improvement of or the furnishing and equipping of the Property (the “Bank Debt”) until such interests no longer encumber the Property. The Property shall not be used to secure any Bank Debt for any purpose other than the improvement of or the furnishing and equipping of the Property.

2. Notwithstanding the foregoing, title to the Property shall not revert to the City in the event of a sale if:

(a) GHHC or another entity relocates the clinic operations to another site and commits to provide, for a **minimum of twenty years** following the date of the closing of GHHC’s purchase of the Property from the City, an equal or greater number of clinicians continuing to provide health and dental care of comparable quality to the same types and numbers of clients served by the Property in the calendar year prior to the date of this Deed, at a location easily accessible to such clients and within the City of St. Louis, and such location, commitment, and entity are satisfactory to the City of St. Louis Board of Estimate and Apportionment in such Board’s sole discretion; or

(b) (This clause shall apply only if GHHC sells but fails to satisfy condition A above). GHHC pays to the City an amount equal to the following, which amount shall be calculated in a manner satisfactory to the City of St. Louis Board of Estimate and Apportionment:

(1) The total purchase price for the property, less:

- vi. The amount, if any, required to discharge the Federal Interest.
- vii. The amount, if any, required to discharge any Bank Debt secured by a lien on the Property, but only if the proceeds of such debt were used exclusively for the purpose of improving the Property and providing furnishings, fixtures and equipment for the Property, and ownership of the furnishings, fixtures and equipment will be transferred to the buyer of the Property upon closing of the sale; and

- viii. Payments made by GHHC with GHHC Funds for acquisition of and improvements (but not maintenance) to the real property; and
- ix. Payments made by GHHC with GHHC Funds, to reduce the principal amount of any Bank Debt secured by a lien on the Property, but only if the proceeds of such debt were used for the purpose of improving the Property and providing furnishings, fixtures and equipment for the Property and ownership of the furnishings, fixtures and equipment will be transferred to the buyer of the Property upon closing of the sale.
- x. Closing costs associated with the sale of the Property that are paid with GHHC Funds and not reimbursed by the buyer at closing.

“GHHC Funds” means any funds under the control of GHHC except that GHHC Funds do not include proceeds of loans secured by the Property or the proceeds of any federal, state or city loans or grants.

(2) Multiplied by, if the result of the foregoing calculation is greater than zero:

- v. Within the first five calendar years following the date of the conveyance Deed: 75%.
- vi. Within the sixth through fifteenth calendar years following the date of the conveyance Deed: 50%.
- vii. Within the sixteenth through twentieth years following the date of the conveyance Deed: 25%.
- viii. Within the twenty-first year following the Date of the conveyance Deed or thereafter: 0%.

3. If within 20 years after GHHC’s purchase of the Property from the City, GHHC receives an offer to purchase the Property, GHHC shall not enter into any binding contract for sale unless GHHC first notifies the City of said offer to purchase. In that case, the City may, in its sole discretion, (a) require GHHC to assign the offer to the City for the City to negotiate and pursue, and, at the closing of any resulting sale, GHHC shall deed all of its interests in the Property for the amount remaining, if any, after the application of the calculations set forth in Paragraph 3 above; or (b) require GHHC to deed all of its interests in the Property to the City, in consideration of the City’s (1) discharge of the interests listed in subparagraphs 3(a)(i) and 3(a)(ii) above, but only if required by a particular interest; and (2) payment to GHHC of any amounts described in subparagraphs 3(a)(iii) and 3(a)(iv) above.