

BOARD BILL #25

INTRODUCED BY ALDERMAN STEPHEN CONWAY

1 An ordinance recommended by the Board of Estimate and Apportionment of the City of
2 St. Louis, Missouri (the “City”) amending Ordinance No. 67969 and authorizing and directing
3 the issuance and sale by the St. Louis Municipal Finance Corporation (the “Corporation”) of its
4 Tax-Exempt Public Safety Sales Tax Leasehold Revenue Bonds (City of St. Louis, Missouri,
5 Lessee), Series 2008A (the “Series 2008A Bonds”), its Tax-Exempt Juvenile Detention Center
6 Leasehold Revenue Bonds (City of St. Louis, Missouri, Lessee), Series 2008C (the “Series
7 2008C Bonds” and, together with the Series 2008A Bonds, the “Tax-Exempt Bonds”), in order
8 to fund the construction, installation, rehabilitation, and improvement of certain capital
9 improvements, and/or its Taxable Public Safety Sales Tax Leasehold Revenue Bonds (City of St.
10 Louis, Missouri, Lessee), Series 2008B (Pension Funding Project) (the “Taxable Bonds”) in
11 order to pay certain actuarially required contributions coming due in the City’s current fiscal year
12 (“Fiscal Year 2008”) in connection with the City of St. Louis Police Retirement System (the
13 “PRS”), the City of St. Louis Firemen’s Retirement System (the “FRS”), and/or the City of St.
14 Louis Employees’ Retirement System (the “ERS” and together with the PRS and FRS, the
15 “Retirement Systems”), in an aggregate principal amount not to exceed \$45,000,000
16 (collectively, the “Series 2008 Bonds”), for the general welfare, safety, and benefit of the citizens
17 of the City; authorizing and directing the Corporation to execute and deliver, as necessary or
18 desirable to facilitate the transactions contemplated hereby, any of the Indenture, the Base Lease,
19 the Lease Purchase Agreement, the Leasehold Deed of Trust, the Interest Rate Exchange
20 Agreement, the Tax Compliance Agreement, the Official Statement, and the Bond Purchase
21 Agreement (all as defined herein); authorizing the City to execute and deliver, as necessary or
22 desirable to facilitate the transactions contemplated hereby, any of the Base Lease, the Lease

1 Purchase Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement (as
2 defined herein), any Interest Rate Exchange Agreement to which the City is a party, the Official
3 Statement, and the Bond Purchase Agreement; providing for a debt service reserve fund or funds,
4 if any, for the Series 2008 Bonds; authorizing the Corporation and the City to obtain credit
5 enhancement for a portion or all of the Series 2008 Bonds from a Credit Provider (as defined
6 herein); authorizing the payment of any obligations due to a Credit Provider, if any; and
7 authorizing the Comptroller and any other appropriate City officials to execute the Credit
8 Agreement (as defined herein) and other documents related thereto, if any; authorizing
9 participation of appropriate City officials in preparing the Official Statement; authorizing the
10 acceptance of the terms of the Bond Purchase Agreement and the taking of further actions with
11 respect thereto; authorizing the payment of certain costs of issuance of the Series 2008 Bonds;
12 authorizing and directing the taking of other actions and approval and execution of other
13 documents as necessary or desirable to carry out and comply with the intent hereof; and
14 superseding provisions of prior ordinances of the City to the extent inconsistent with the terms
15 hereof; and containing an emergency clause.

16 **WHEREAS**, on February 5, 2008, under and by the authority of Section 92.500 RSMo,
17 the qualified voters of the City of St. Louis approved a one-half of one percent sales tax on all
18 retail sales made in the City of St. Louis (the “Public Safety Sales Tax”) for the purpose of
19 providing revenues for the operation of public safety departments, including police and fire
20 departments; and

21 **WHEREAS**, pursuant to Ordinance No. 67794, the Board of Aldermen of the City has
22 required that all revenues from the Public Safety Sales Tax be deposited in the Public Safety

1 Protection Sale Tax Fund to be used for various public safety purposes, and in particular has
2 required that certain amounts deposited in the Public Safety Pension Trust Sub-Account of the
3 Public Safety Protection Sale Tax Fund and all interest earned thereon shall be used for the
4 purpose of funding (i) first, that portion of the debt service of the Corporation's Taxable
5 Leasehold Revenue and Refunding Bonds (City of St. Louis, Missouri, Lessee), Series 2007
6 (Pension Funding Project) (the "Series 2007 Pension Bonds") or any subsequent bonds issued, or
7 any subsequent series of bonds refunding or refinancing any of the foregoing bonds, that is
8 allocable to the payment from bond proceeds of actuarially required contributions to PRS or
9 FRS, and (ii) second, any additional actuarially required contributions to PRS and FRS; and

10 **WHEREAS**, pursuant to Ordinance No. 67815, the Board of Aldermen of the City has
11 required that revenues from the City's gross receipts tax on telephone companies (the "Gross
12 Receipts Tax") and all interest earned thereon shall be used for the purpose of funding (i) first,
13 that portion of the debt service of the Series 2007 Pension Bonds or any subsequent bonds
14 issued, or any subsequent series of bonds refunding or refinancing any of the foregoing bonds,
15 that is allocable to the payment from bond proceeds of actuarially required contributions to ERS,
16 and (ii) second, any additional actuarially required contributions to ERS; and

17 **WHEREAS**, during Fiscal Year 2008, revenues from the Public Safety Sales Tax and the
18 Gross Receipts Tax will not be received by the City in amounts sufficient to timely pay the
19 actuarially required contributions to the Retirement Systems due in Fiscal Year 2008; and

20 **WHEREAS**, pursuant to Ordinance No. 67969 approved March 14, 2008, the Board of
21 Aldermen directed the Corporation to issue and sell the Taxable Bonds for the purposes of

1 paying such current actuarially required contributions in connection with the Retirement
2 Systems; and

3 **WHEREAS**, the City has determined that it is in the best interests of the City to direct
4 the Corporation to issue and sell the Tax-Exempt Bonds for the purposes of funding the
5 construction, installation, rehabilitation, and improvement of certain capital improvements; and

6 **WHEREAS**, in connection with the issuance of the Series 2008 Bonds, it is necessary
7 and desirable for the City and/or the Corporation to execute and deliver certain documents and
8 take certain other actions as herein provided.

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

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

14 **“Additional Rentals”** shall have the meanings ascribed to such term in the Lease
15 Purchase Agreement.

16 **“Base Lease”** means the Base Lease, if any, between the City, as lessor, and the
17 Corporation, as lessee, as may be amended and supplemented in accordance with the terms
18 thereof, pursuant to which the City conveys a leasehold interest in the Leased Property to the
19 Corporation.

20 **“Bond Purchase Agreement”** means one or more Bond Purchase Agreements related to
21 the issuance and sale of the Series 2008 Bonds.

1 **“Bonds”** means the Series 2008 Bonds and any and all other bonds issued by the
2 Corporation pursuant to and under the Indenture.

3 **“City Documents”** means the Base Lease, if any, the Lease Purchase Agreement, if any,
4 the Tax Compliance Agreement, if any, the Credit Agreement, if any, the Continuing Disclosure
5 Agreement, the Bond Purchase Agreement, any Interest Rate Exchange Agreement to which the
6 City is a party, and such other documents, certificates, and instruments as may be necessary or
7 desirable to facilitate the issuance of the Series 2008 Bonds and to carry out and comply with the
8 intent of this Ordinance.

9 **“Continuing Disclosure Agreement”** means one or more Continuing Disclosure
10 Agreements memorializing the City’s and/or the Corporation’s continuing disclosure obligations
11 with respect to the Series 2008 Bonds.

12 **“Corporation Documents”** means the Indenture, the Base Lease, if any, the Lease
13 Purchase Agreement, if any, the Leasehold Deed of Trust, if any, the Tax Compliance
14 Agreement, if any, the Bond Purchase Agreement, the Interest Rate Exchange Agreement, if any,
15 and such other documents, certificates, and instruments as may be necessary or desirable to
16 facilitate the issuance of the Series 2008 Bonds and to carry out and comply with the intent of
17 this Ordinance.

18 **“Credit Agreement”** means any agreement by and between the Credit Provider and the
19 City providing for Credit Enhancement, if any.

20 **“Credit Enhancement”** means one or more standby letters of credit, standby bond
21 purchase agreements, irrevocable direct pay letters of credit, and other liquidity facilities, surety
22 bonds, or bond insurance policies issued by a Credit Provider guaranteeing, providing for, or

1 insuring the payment of all or a portion of the principal of and interest on and/or the purchase
2 price of one or more series of Bonds as provided therein.

3 **“Credit Provider”** means the issuer or issuers of the Credit Enhancement, if any,
4 pursuant to or identified in the Indenture.

5 **“Financial Advisor”** means P.G. Corbin & Company, Inc., the financial advisor to the
6 City with respect to the Series 2008 Bonds.

7 **“Indenture”** means the Trust Indenture between the Corporation and the Trustee, as may
8 be further amended or supplemented pursuant to the terms thereof, pursuant to which the Series
9 2008 Bonds and any additional series of bonds are issued.

10 **“Interest Rate Exchange Agreement”** means any agreement entered into by the City
11 and/or the Corporation and a counterparty in connection with the Series 2008 Bonds and
12 providing for payments based on levels of or changes in interest rates, including without
13 limitation such agreements commonly referred to as interest rate swaps, hedges, caps, floors, and
14 collars.

15 **“Juvenile Detention Center”** means the City Juvenile Detention Center located on the
16 real property described on **Exhibit A** to the Lease Purchase Agreement, and situated in the City
17 and any other real or personal property hereafter acquired by the Corporation and leased by the
18 Corporation to the City pursuant to any supplemental Lease Purchase Agreement with respect to
19 the Juvenile Detention Center and appurtenant easements, rights-of-way, improvements, paving
20 and personal property necessary, convenient and appurtenant thereto, and any modifications,
21 alterations or changes in, on or to the foregoing or any repairs thereto or thereof.

1 **“Lease Purchase Agreement”** means the Lease Purchase Agreement, if any, between
2 the Corporation, as lessor, and the City, as lessee, as may be amended or supplemented pursuant
3 to the terms thereof, pursuant to which the Corporation conveys a leasehold interest in the
4 Leased Property to the City, and the City leases the Leased Property, together with any
5 improvements thereon, from the Corporation and agrees to pay Rentals and Additional Rentals,
6 subject to annual appropriation to the extent required by applicable law, equal to the principal of
7 and interest due on the Bonds secured thereby.

8 **“Leased Property”** means the Juvenile Detention Center, the capital improvements
9 made thereon, and any related property leased in the Lease Purchase Agreement.

10 **“Leasehold Deed of Trust”** means the Leasehold Deed of Trust, Security Agreement,
11 and Fixture Filing pursuant to which the Corporation grants the Trustee a lien on and a security
12 interest in the Corporation’s leasehold interest in the Leased Property pursuant to the Base Lease.

13 **“Official Statement”** means the Preliminary Official Statement or Statements, the final
14 Official Statement or Statements, and any other disclosure materials prepared in connection with
15 the issuance, sale, and delivery of the Series 2008 Bonds.

16 **“Rentals”** shall have the meanings ascribed to such term in the Lease Purchase
17 Agreement.

18 **“Retirement Systems”** means the City of St. Louis Police Retirement System, the City
19 of St. Louis Firemen’s Retirement System, and the City of St. Louis Employees’ Retirement
20 System.

21 **“Series 2008 Bonds”** means the Tax-Exempt Bonds and/or the Taxable Bonds.

1 **“Series 2008A Bonds”** means the Corporation’s Tax-Exempt Public Safety Sales Tax
2 Leasehold Revenue Bonds (City of St. Louis, Missouri, Lessee), Series 2008A, authorized
3 pursuant to the Indenture.

4 **“Series 2008C Bonds”** means the Corporation’s Juvenile Detention Center Leasehold
5 Revenue Bonds (City of St. Louis, Missouri, Lessee), Series 2008C, authorized pursuant to the
6 Indenture.

7 **“Taxable Bonds”** means the Corporation’s Public Safety Sales Tax Leasehold Revenue
8 Bonds (City of St. Louis, Missouri, Lessee), Series 2008B (Pension Funding Project), authorized
9 pursuant to the Indenture.

10 **“Tax-Exempt Bonds”** means the Series 2008A Bonds and the Series 2008C Bonds.

11 **“Tax Compliance Agreement”** means the Tax Compliance Agreement entered into by
12 the Corporation, the City, and/or the Trustee with respect to the Tax-Exempt Bonds.

13 **“Trustee”** means the trustee appointed pursuant to the Indenture or any successor thereto
14 under the Indenture.

15 **“Underwriters”** means the underwriters with respect to the Series 2008 Bonds.

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

- 18 (a) to authorize and direct the Corporation to issue, as market conditions warrant, the
19 Tax-Exempt Bonds (i) to fund the construction, installation, rehabilitation, and improvement of
20 certain capital improvements, and any capital expenditures reasonably necessary, in the opinion
21 of bond counsel, to adequately secure the Series 2008 Bonds, (ii) to fund one or more debt
22 service reserve funds, if any, and/or the purchase of Credit Enhancement for the Series 2008

1 Bonds, and (iii) to pay reasonable expenses incurred by the Corporation and the City in
2 connection with the transactions contemplated hereby; and

3 (b) to authorize and direct the Corporation to issue, as market conditions warrant, the
4 Taxable Bonds (i) to pay certain actuarially required contributions in connection with any or all
5 of the Retirement Systems for Fiscal Year 2008, and any capital expenditures reasonably
6 necessary, in the opinion of bond counsel, to adequately secure the Series 2008 Bonds, (ii) to
7 fund one or more debt service reserve funds, if any, and/or the purchase of Credit Enhancement
8 for the Series 2008 Bonds, and (iii) to pay reasonable expenses incurred by the Corporation and
9 the City in connection with the transactions contemplated hereby; and

10 (c) to authorize and direct the Corporation to enter into a negotiated sale of the Series
11 2008 Bonds to the Underwriters.

12 **Section 3. Authority and Direction to Issue the Series 2008 Bonds.** The City
13 hereby authorizes and directs the Corporation, as market conditions warrant, to issue the Series
14 2008 Bonds in an aggregate principal amount not to exceed \$45,000,000 on behalf of the City for
15 the purposes set forth in Section 2 hereof. The Series 2008 Bonds (i) shall have final maturities
16 not more than 30 years from their date of issuance, (ii) shall bear fixed rates of interest of not
17 more than 10% and/or variable rates of interest not to exceed the maximum amount allowable
18 under Missouri law, and (iii) may be sold at a premium and/or at a discount with such discount
19 not to exceed the maximum discount allowable under Missouri law. The terms and provisions of
20 the Series 2008 Bonds shall be as provided in the Indenture.

21 **Section 4. Limited Obligations.** The Series 2008 Bonds, the interest thereon, and
22 any Interest Rate Exchange Agreement shall be limited obligations payable by the Corporation

1 solely from (i) proceeds of the Series 2008 Bonds, (ii) Rentals and Additional Rentals received
2 by the Corporation from the City or by the Trustee on behalf of the Corporation and reasonably
3 expected to be used to pay debt service on the Series 2008 Bonds pursuant to the Lease Purchase
4 Agreement or to make payments with respect to any Interest Rate Exchange Agreement, (iii)
5 amounts available in the debt service reserve fund or funds, if any, (iv) amounts payable by any
6 Credit Provider in connection with any Credit Enhancement on the Series 2008 Bonds, if any,
7 and (v) any amounts received under any Interest Rate Exchange Agreement. The Series 2008
8 Bonds, the Interest Rate Exchange Agreement, if any, and the interest thereon do not and shall
9 not constitute an indebtedness of the City or the State of Missouri or any instrumentality thereof
10 within the meaning of any constitutional or statutory debt limitation or restriction. The
11 obligation of the City to make payments of Rentals and Additional Rentals and other amounts
12 under the Lease Purchase Agreement and the Interest Rate Exchange Agreement, if any, is
13 subject to annual appropriation to the extent required by applicable law as provided therein.
14 None of the obligation of the City to make such payments under the Lease Purchase Agreement,
15 and the Interest Rate Exchange Agreement, if any, or the Series 2008 Bonds shall constitute a
16 debt of the City. The issuance of the Series 2008 Bonds will not directly or contingently obligate
17 the City to make any payments beyond those appropriated for its then current fiscal year.

18 **Section 5. Authority and Direction to Execute and Deliver Corporation**
19 **Documents.** In connection with the issuance of the Series 2008 Bonds, the City hereby
20 authorizes and directs the Corporation to execute and deliver the Corporation Documents in
21 forms that are consistent with the provisions of this Ordinance, as such Corporation Documents
22 are approved by the Corporation and by the City Counselor as to the form thereof and with the

1 advice of the Underwriters and the Financial Advisor, with the respective signatures thereon of
2 the appropriate officers of the Corporation executing such documents to be evidence of the
3 approval of the Corporation.

4 **Section 6. Authority and Direction to Sell the Series 2008 Bonds in a Negotiated**
5 **Sale.** In connection with the issuance of the Series 2008 Bonds, the City hereby authorizes and
6 directs the Corporation to negotiate the sale thereof with the Underwriters, subject to the
7 provisions of this Ordinance. The City further hereby authorizes and directs the Corporation to
8 prepare, at the request of the Underwriters, the Official Statement; to execute and deliver the
9 final Official Statement; and to execute and deliver the Bond Purchase Agreement, the
10 Continuing Disclosure Agreement and any and all related documents, all in connection with such
11 negotiated sale of the Series 2008 Bonds.

12 **Section 7. Authority and Direction to Obtain Credit Enhancement.** The City
13 hereby authorizes the Corporation to obtain Credit Enhancement for the Series 2008 Bonds from
14 a Credit Provider with such credit rating that, in the opinion of the Underwriters and the
15 Financial Advisor, will achieve an economic benefit for the City if the Series 2008 Bonds are
16 secured by such Credit Enhancement. Any Credit Agreement executed in connection therewith
17 may pledge Rentals and Additional Rentals to payment of (i) debt service on the Series 2008
18 Bonds and (ii) any amounts due and owing to the Credit Provider under the Credit Agreement.
19 The Comptroller is hereby authorized to approve the terms of any such Credit Agreement, and
20 the Comptroller, with the advice of the City Counselor as to form thereof, is hereby authorized
21 and directed to execute such Credit Agreement and other documents in connection therewith as
22 required to obtain the Credit Enhancement.

1 **Section 8. Authority and Direction to Cooperate in Qualification.** The City and
2 the Corporation shall furnish such information, execute such instruments, and take such other
3 action in cooperation with the Underwriters as the Underwriters may reasonably request to
4 qualify the Series 2008 Bonds for offer and sale under the Blue Sky or other securities laws and
5 regulations of such states and other jurisdictions of the United States as the Underwriters may
6 designate; provided, however, neither the City nor the Corporation shall be required to register as
7 a dealer or broker in any such state or jurisdiction, to subject itself to service of process in any
8 state or jurisdiction in which it is not already so subject, or to comply with any other
9 requirements deemed by the City or the Corporation to be unduly burdensome.

10 **Section 9. Authority and Direction to Execute and Deliver City Documents.** The
11 City hereby authorizes and directs the Mayor and the Comptroller of the City to execute and
12 deliver the City Documents in forms that are consistent with the provisions of this Ordinance, as
13 such City Documents are approved by the Mayor and the Comptroller with the advice of the
14 Underwriters and the Financial Advisor, and as are approved as to form by the City Counselor,
15 with the respective signatures of such officials thereon to be evidence of the approval of the City;
16 and the Register of the City is hereby authorized and directed to affix the corporate seal of the
17 City to the City Documents and to attest the same.

18 **Section 10. Authorization with Respect to Sale of the Series 2008 Bonds.** The
19 Mayor, the Comptroller, and other appropriate officers, agents, and employees of the City are
20 hereby authorized and directed to participate with the Corporation in the preparation of the
21 Official Statement; the Mayor and the Comptroller are hereby authorized and directed to execute
22 and deliver the final Official Statement in a form that is consistent with the provisions of this

1 Ordinance, as is approved by the Mayor and the Comptroller with the advice of the Underwriters
2 and the Financial Advisor, and as is approved as to form by the City Counselor, with the
3 respective signatures of the Mayor and the Comptroller thereon to be evidence of the approval of
4 the City.

5 **Section 11. Further Authority.** The Mayor, the Comptroller, the Treasurer (as to
6 permitted investments only), the Register, and other appropriate officers, agents, and employees
7 of the City are hereby authorized to take such further actions and execute such other documents
8 as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and
9 to carry out, comply with and perform the duties of the City with respect to the City Documents
10 and the Official Statement.

11 **Section 12. Severability.** If any section or other part of this Ordinance, whether large
12 or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the
13 other provisions of this Ordinance.

14 **Section 13. Superseding of Inconsistent Provisions.** The provisions of this
15 Ordinance hereby amend any provision of Ordinance 67969 or any other ordinance of the City
16 inconsistent with the terms hereof, but only to the extent of such inconsistency.

17 **Section 14. Emergency Clause.** The passage of this Ordinance shall be and is hereby
18 declared to be an emergency measure within the meaning of Article IV, Sections 19 and 20, of
19 the Charter of the City of St. Louis, and, as such, this Ordinance shall take effect immediately
20 upon its approval by the Mayor.