

BILL NO. 19-15

ORDINANCE NO. 4.466

AN ORDINANCE AUTHORIZING THE CITY OF GLADSTONE, MISSOURI, TO ISSUE ITS TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS (ROYAL PARK APARTMENT HOMES PROJECT), SERIES 2019, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,070,000 TO FINANCE THE COSTS OF A PROJECT FOR STKC PROPERTIES LLC, A MISSOURI LIMITED LIABILITY COMPANY, CONSISTING OF THE CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO COMMERCIAL FACILITIES; APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT FOR THE COMPANY; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Gladstone, Missouri (the "City") is a third class city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, the City is authorized under the provisions of Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) for the purposes set forth in the Act and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and

WHEREAS, in order for STKC Properties LLC, a Missouri limited liability company (together with any successors or assigns, the "Company"), to construct and renovate improvements to certain commercial facilities (collectively, the "Project"), the Council hereby determines and declares the official intent of the City to finance the costs of the Project out of the proceeds of industrial development revenue bonds to be issued under the Act (the "Bonds"); and

WHEREAS, the City has prepared a plan for industrial development with respect to the Project (the "Plan") as required by Section 100.050 of the Act, notice of the Project was given to the taxing jurisdictions in accordance with Section 100.059.1 of the Act, and, subject to allowing for additional comments from taxing districts, the City now desires to approve the Plan; and

WHEREAS, the City has and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City proceed with the issuance of the Bonds for the purpose described above; and

WHEREAS, because the Bonds will be payable solely out of payments, revenues and receipts derived by the City from the lease of the Project to the Company and from no other

source, the City has determined that it is appropriate that the Bonds be sold to the Company pursuant to Section 108.170 of Revised Statutes of Missouri, as amended, which provides that notwithstanding any other provisions of any law or any charter provision to the contrary, industrial development revenue bonds may be sold at private sale.

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the approval of the Plan and the issuance of the Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

Section 1. Public Purpose. The Council hereby finds and determines that the Project will promote the economic welfare and the development of the City, and the issuance of the Bonds by the City to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act.

Section 2. Approval of Plan. The Council hereby approves the Plan for Industrial Development Project attached hereto as **Exhibit A** in accordance with Section 100.050 of the Act.

Section 3. Authorization and Sale of the Bonds. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (Royal Park Apartment Homes Project), Series 2019, in an aggregate principal amount not to exceed \$4,070,000, for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the herein authorized Trust Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate (not to exceed 8.00%), shall be in such form, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the herein authorized Trust Indenture upon the execution thereof, and the signatures of the officers of the City executing the Trust Indenture shall constitute conclusive evidence of their approval and the City's approval thereof. The sale of the Bonds to the Company at private sale pursuant to the provisions of Section 108.170 of Revised Statutes of Missouri, as amended, at the interest rate and upon the terms set forth in the Trust Indenture is hereby approved.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the herein authorized Lease Agreement, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Trust Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City within the meaning of any constitutional provision, statutory limitation or City code provision and shall not constitute a pledge of the full faith and credit of the City. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City to levy any form of taxation therefore or to make any appropriation for their payment.

Section 5. Approval and Authorization of Documents. The following documents (the "City Documents") are hereby approved in substantially the forms presented to the Council at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver the City Documents with such changes therein as shall be approved by the officials of the City executing such documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated as of the date set forth therein (the "Trust Indenture"), between the City and Security Bank of Kansas City, Gladstone, Missouri (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge and assign the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Trust Indenture;

(b) Lease Agreement dated as of the date set forth therein (the "Lease Agreement"), between the City and the Company, under which the City will (i) provide funds for the construction, improvement and equipping of the Project and (ii) lease the Project to the Company pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Company which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds;

(c) Bond Purchase Agreement dated as of the date set forth therein, between the City and the Company, pursuant to which the Company agrees to purchase the Bonds; and

(d) Performance Agreement dated as of the date set forth therein, between the City and the Company, pursuant to which the City will grant the Company certain rights with respect to the abatement of *ad valorem* real property taxes on the Project in consideration for the Company's agreement to operate each facility comprising the Project as a commercial facility.

Section 6. Execution of Documents. The Mayor or the City Manager of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The Mayor or the City Manager of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 7. Further Authority. The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to

carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents.

Section 8. Severability. The sections, paragraphs, sentences, clauses and phrases of this Ordinance shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid, unless the court finds the valid portions of the Ordinance are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the City Council has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

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

Section 10. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the City Council and approval by the Mayor, which approval shall not be granted if comments on the Plan are received by the City from taxing districts subsequent to the adjournment of the City Council meeting of March 25, 2019 and by 5:00 p.m. on March 26, 2019.

[Signature Page Follows]

PASSED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI,
THIS 25th DAY OF MARCH, 2019.



Bill Garnos, Mayor

(SEAL)

ATTEST:



Ruth Bocchino
City Clerk

First Reading: March 25, 2019

Second Reading: March 25, 2019

APPROVED AND MADE EFFECTIVE BY THE MAYOR OF THE CITY OF
GLADSTONE, MISSOURI, THIS 28th DAY OF MARCH, 2019.

(SEAL)

ATTEST:



Ruth Bocchino
City Clerk



Bill Garnos, Mayor

First Reading: March 25, 2019

Second Reading: March 25, 2019



Request for Council Action

RES ☐ # City Clerk Only

BILL ☒ # 19-15

ORD ☒ # 4.466

Date: 3/18/2019

Department: General Administration

Meeting Date Requested: 03/25/2019

Public Hearing: Yes ☒ Date: 3/25/2019

Subject: An Ordinance authorizing the City of Gladstone, Missouri, to issue its taxable industrial development revenue bonds (Royal Park Apartment Homes Project), Series 2019, in a principal amount not to exceed \$4,070,000 to finance the costs of a project for STKC Properties LLC, a Missouri Limited Liability Company, consisting of the construction and equipping of improvements to commercial facilities; approving a plan for an industrial development project for the company; authorizing and approving certain documents; and authorizing certain other actions in connection with the issuance of bonds.

Background: STKC Properties, LLC has agreed to the terms of a development plan with the City of Gladstone for the property located at 18 NW 72nd Street Gladstone, Missouri. This development plan includes the issuance of taxable industrial revenue bonds, authorized under Missouri Sections 100.010 to 100.200, RSMo. The proceeds of the bonds will be used to improve the property as outlined in the development agreement.

Budget Discussion: Funds are budgeted in the amount of \$ 0 from the GENERAL fund. Ongoing costs are estimated to be \$ 0 annually. Previous years' funding was \$0

Public/Board/Staff Input: N/A

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk

Bob Baer
Assistant City Manager

PC
City Attorney

SW
City Manager