

INTRODUCED BY: Councilmember Steve McMahon

DATE: May 28,, 2024

**BILL NO. 9542**

**ORDINANCE NO. 7355**

**AMENDED**

**AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (6630-6654 DELMAR BOULEVARD PROJECT), SERIES 2024, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING AND IMPROVING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; APPROVING A PLAN FOR THE PROJECT; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.**

**WHEREAS**, the City of University City, Missouri (the “City”), is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri, as amended (collectively, the “Act”), and the City Charter to purchase, construct, extend and improve certain projects 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, office industry, warehousing and industrial development purposes upon such terms and conditions as the City deems advisable; and

**WHEREAS**, under Attorney General Opinion 180-81, the Missouri Attorney General determined that the construction and rental of multi-family apartments for profit is a commercial enterprise; and

**WHEREAS**, as required under the Act, a Plan for an Industrial Development Project (the “Plan”) has been prepared in the form of **Exhibit A**, attached hereto and incorporated herein by reference; and

**WHEREAS**, notice of the City’s consideration of the Plan has been given in the manner required by the Act, and the City Council has fairly and duly considered all comments submitted to the City Council regarding the proposed Plan; and

**WHEREAS**, the City Council hereby finds and determines that it is desirable for the improvement of the economic welfare and development of the City and within the public purposes of the Act that the City: (1) approve the Plan pursuant to the Act; (2) issue its Taxable Industrial Revenue Bonds (6630-6654 Delmar Boulevard Project), Series 2024, in the maximum principal amount of \$100,000,000 (the “Bonds”), for the purpose of acquiring certain real property located 6630-6654 Delmar Boulevard in the City (the “Project Site,” as more fully described in the below-defined Indenture) and constructing a mixed-use development consisting of approximately 259 apartment units, approximately 7,131 square feet of commercial space and approximately 399 parking spaces (collectively, the “Project Improvements,” as more fully described in the Indenture, and together with acquisition of the Project Site, the “Project”), (3) lease the Project to Subtext, Acquisitions, LLC (the “Company”); and (4) enter into a Development Agreement with the Company, under which the Company will make certain payments in lieu of taxes and agree to certain additional development terms and conditions in consideration of the City issuing the Bonds; and

**WHEREAS**, the City Council further finds and determines that it is necessary and desirable in connection with the implementation of the Plan and the issuance of the Bonds that the City enter into certain documents and take certain other actions as herein provided.

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

**Section 1. Approval of the Plan.** The City Council hereby approves the Plan attached as **Exhibit A** hereto.

**Section 2. Authorization for the Project.** The City is hereby authorized to provide for the purchase and construction of the Project in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

**Section 3. Authorization of the Bonds.** The City is hereby authorized to issue and sell the Bonds as described in the recitals hereto for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the Indenture and shall have such terms, provisions, covenants and agreements as are set forth in the Indenture.

**Section 4. Limitation on Liability.** The Bonds and the interest thereon shall be limited obligations of the City, payable solely out of certain payments, revenues and receipts derived by the City from the Lease Agreement. Such payments, revenues and receipts shall be pledged and assigned to the bond trustee named in the Indenture (the "Trustee") as security for the payment of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State of Missouri (the "State") or any other political subdivision thereof, and neither the City nor the State shall be liable thereon. The Bonds shall not constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction and are not payable in any manner by taxation.

**Section 5. Authorization of Documents.** The City is hereby authorized to enter into the following documents (collectively, the "City Documents"), in substantially the forms presented to and approved by the City Council and attached to this Ordinance, with such changes therein as shall be approved by the officials of the City executing the City Documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture (the "Indenture") between the City and the Trustee, in substantially the form attached hereto as **Exhibit B**, pursuant to which the Bonds will be issued and the City will pledge the Project and assign certain of 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 Indenture.

(b) Base Lease between the Company and the City, in substantially the form attached hereto as **Exhibit C**, pursuant to which the Company will lease the Project Site to the City during the construction period.

(c) Special Warranty Deed from the Company to the City, in substantially the form attached hereto as **Exhibit D**, pursuant to which the Company transfer title to the Project, after completion thereof, to the City.

(d) Lease Agreement (the "Lease Agreement") between the City and the Company, in substantially the form attached hereto as **Exhibit E**, pursuant to which the City will lease the Project to the Company pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Company that will be sufficient to pay the principal of and interest on the Bonds.

(e) Bond Purchase Agreement between the City and the Company, in substantially the form attached hereto as **Exhibit F**, pursuant to which the Company will purchase the Bonds.

(f) Development Agreement between the City and the Company, in substantially the form attached hereto as **Exhibit G**, pursuant to which the Company will make certain payments in lieu of taxes with respect to the Project.

**Section 6. Company Substitution.** Notwithstanding the forms of documents approved in substantially final form pursuant to **Section 5**, at the request of the Company, any entity controlled by or under common control with the Company may be inserted as the Company in the documents approved by **Section 5** prior to execution.

**Section 7. Execution of Documents.** The City Manager is hereby authorized 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 City Manager is hereby authorized 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 is hereby authorized 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 8. Further Authority.** The City shall, and the City Manager or other officials, agents and employees of the City designated by the City Manager are hereby authorized 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, including but not limited to agreements with emergency service districts. The City Manager is hereby authorized, through the term of the Lease Agreement, to execute all documents on behalf of the City (including documents pertaining to the transfer of property or the financing or refinancing of the Project by the Company) as may be required to carry out and comply with the intent of this Ordinance and the City Documents. The City Manager is further authorized, on behalf of the City, to grant such consents, estoppels and waivers relating to the Bonds and the City Documents as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease Agreement or the tax exemption as provided for in the City Documents, waive an event of default or materially change the nature of the transaction. The City Clerk is authorized to attest to and affix the seal of the City to any document authorized by this Section.

**Section 9. Severability.** The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that (a) the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones, and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

**Section 10. Effective Date.** This Ordinance shall be in full force and effect from and after the date of its passage and approval.

**PASSED and ADOPTED THIS 10<sup>th</sup> DAY OF JUNE, 2024.**

(Seal)

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

CERTIFIED TO BE CORRECT AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

**EXHIBIT A**

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT**

(On file in the office of the City Clerk)

**EXHIBIT B**

**TRUST INDENTURE**

(On file in the office of the City Clerk)

**EXHIBIT C**

**BASE LEASE**

(On file in the office of the City Clerk)

**EXHIBIT D**

**SPECIAL WARRANTY DEED**

(On file in the office of the City Clerk)



**EXHIBIT E**

**LEASE AGREEMENT**

(On file in the office of the City Clerk)

**EXHIBIT F**

**BOND PURCHASE AGREEMENT**

(On file in the office of the City Clerk)

**EXHIBIT G**

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