

BILL NO. 17-268

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND SPECIAL DISTRICT REFUNDING AND IMPROVEMENT BONDS (SUMMIT FAIR PROJECT), SERIES 2017 OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS.

WHEREAS, the City is authorized and empowered under its Charter and the Revised Statutes of Missouri, as amended, to issue bonds for the purpose of providing funds to finance the costs of certain redevelopment projects, to refund the bonds validly issued for such purposes and to pay certain costs related to the issuance of such bonds; and,

WHEREAS, the City has (a) approved a plan for redevelopment known as the "Lee's Summit East Amended and Restated Tax Increment Financing Plan" (as amended, the "Redevelopment Plan") for certain areas described therein, including an area designated and described in the Redevelopment Plan as "Project Area 1" and "Project Area 5" (together, the "Redevelopment Area"), (b) designated the Redevelopment Area, along with other property described in the Redevelopment Plan, as a "blighted area" within the meaning of the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the "TIF Act"), (c) approved projects and adopted tax increment financing for Project Area 1 and Project Area 5, and (d) designated RED Lee's Summit East, LLC, a Missouri limited liability company (the "Developer"), as the developer to implement the Redevelopment Plan with respect to the Redevelopment Area; and,

WHEREAS, on May 27, 2008, the City and the Developer entered into an Amended and Restated Tax Increment Financing Contract (as amended, the "Redevelopment Agreement"), which provides for the funding and financing of certain Reimbursable Project Costs, as defined therein; and,

WHEREAS, on April 17, 2008, the City Council, by adoption of Ordinance No. 6619, established the Summit Fair Community Improvement District, a community improvement district and political subdivision of the State of Missouri (the "CID") for the purpose of providing funding through the imposition of a sales tax and special assessments for a portion of the Reimbursable Project Costs that are eligible to be funded with revenues of the CID; and,

WHEREAS, in order to provide financing for certain Reimbursable Project Costs, the City has issued the City of Lee's Summit, Missouri Tax Increment Revenue Bonds (Summit Fair Project), Series 2011 (the "Series 2011 Bonds"), in the original principal amount of \$22,300,000; and,

WHEREAS, the City has determined that it is in the best interest of the City to issue its Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017 (the "Series 2017 Bonds") for the purpose of (a) financing additional Reimbursable Project Costs relating to the Redevelopment Plan, (b) advance refunding the outstanding principal amount of the Series 2011 Bonds (the "Refunded Bonds"), (c) funding a debt service reserve deposit for the Series 2017 Bonds, and (d) paying the costs of issuance of the Series 2017 Bonds and the incidental costs of refunding the Refunded Bonds.

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NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

SECTION 1. Approval of Execution and Delivery of the Series 2017 Bonds. The City Council hereby approves the execution, delivery and sale by the City of the Series 2017 Bonds in the aggregate principal amount of not to exceed \$_____ for the purpose of (i) financing additional Reimbursable Project Costs relating to the Redevelopment Plan, (ii) advance refunding the Refunded Bonds, (iii) funding a debt service reserve deposit for the Series 2017 Bonds, and (iv) paying the costs of issuance of the Series 2017 Bonds and the incidental costs of refunding the Refunded Bonds. The Series 2017 Bonds shall be secured as provided in the herein approved Indenture. The final terms of the Series 2017 Bonds shall be specified in the Indenture and the Purchase Contract described herein upon the execution thereof, and the signatures of the Mayor when executing such Indenture and the Purchase Contract shall constitute conclusive evidence of the Mayor's approval and the City's approval thereof; provide, however, the Series 2017 Bonds shall be issued in a principal amount of not to exceed \$_____, shall bear interest at various rates not to exceed a true interest cost of ____%, shall have a final maturity not later than 2044, shall have a weighted average maturity of not less than ___ years nor more than ___ years, and shall be sold to Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the "Purchaser") with an underwriter's discount of not more than ____% (exclusive of any original issue discount) of the principal amount of the Series 2017 Bonds.

SECTION 2. Authorization of Documents. The City is hereby authorized to enter into the following documents (the "City Documents"), in substantially the forms on file in the office of the City Clerk, with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

- (a) Trust Indenture (the "Indenture"), between the City and UMB Bank, N.A., as Trustee (the "Trustee"), pursuant to which the Series 2017 Bonds shall be issued;
- (b) Financing Agreement between the City and the CID, pursuant to which the City and the CID agree to the application of certain CID revenues to debt service on the Series 2017 Bonds;
- (c) Purchase Contract (the "Purchase Contract") by and among the City, the CID, the Developer and the Purchaser pursuant to which the City will sell the Series 2017 Bonds to the Purchaser upon the terms and conditions as set forth in the Purchase Contract;
- (d) Official Statement to be dated the date of execution and delivery of the Purchase Contract (the "Official Statement") setting forth information relating to the City and the Series 2017 Bonds (in the form of a Preliminary Official Statement which is herein approved);
- (e) Continuing Disclosure Agreement among the City, the CID, the Developer and UMB Bank, N.A., as Dissemination Agent, under which the City, the CID and the

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Developer agree to provide continuing disclosure of certain financial information, operating data and material events, for the benefit of the owners of the Series 2017 Bonds and to assist the Purchaser in complying with Rule 15c2-12 of the Securities and Exchange Commission;

- (f) Tax Compliance Agreement between the City and the Trustee entered into in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Series 2017 Bonds, to establish and maintain the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f) as set forth in the Tax Compliance Agreement; and
- (g) Escrow Trust Agreement between the City and UMB Bank, N.A., as trustee for the Refunded Bonds, relating to the advance refunding of the Refunded Bonds.

SECTION 3. Preliminary and Final Official Statement. The Preliminary Official Statement, in the form filed in the records of the City, is hereby ratified and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transactions related to the Series 2017 Bonds. The Mayor and the City Manager are hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the Official Statement by the Purchaser in connection with the reoffering of the Series 2017 Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Series 2017 Bonds.

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirements of such Rule.

The City agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

SECTION 4. Execution of Documents. The City is hereby authorized to enter into and the Mayor, the City Manager, the City Clerk and other officials and officers of the City are hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, 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.

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SECTION 5. 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 6. Effective Date. This Ordinance shall take effect and be in full force from and after the date of its passage by the City Council and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri this _____ day of December, 2017.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED by the Mayor of said City this _____ day of December, 2017.

Mayor Randall L. Rhoads

ATTEST:

City Clerk Trisha Fowler Arcuri

APPROVED AS TO FORM:

City Attorney Brian W. Head

**EXCERPT OF MINUTES OF
MEETING OF THE CITY COUNCIL
OF THE CITY OF LEE'S SUMMIT, MISSOURI**

The City Council of the City of Lee's Summit, Missouri, met in regular session on **December 7, 2017**, at 6:15 p.m., in the Council Chamber at City Hall, 220 SE Green Street, in Lee's Summit, Missouri, and the following officials were present or absent as indicated:

Randall L. Rhoads, Mayor Present / Absent

Rob Binney, Councilmember Present / Absent

Trish Carlyle, Councilmember Present / Absent

Fred DeMoro, Councilmember Present / Absent

Phyllis Edson, Councilmember Present / Absent

Craig Faith, Councilmember Present / Absent

Diane Forte, Councilmember Present / Absent

Dave Mosby, Councilmember Present / Absent

Diane Seif, Councilmember Present / Absent

Denise Chisum, City Clerk Present / Absent

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

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The matter of authorizing the issuance and delivery of not to exceed \$_____ principal amount of Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017 of the City came on for consideration pursuant to an ordinance entitled as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND SPECIAL DISTRICT REFUNDING AND IMPROVEMENT BONDS (SUMMIT FAIR PROJECT), SERIES 2017 OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS.

On motion duly made and seconded, the Bill was placed upon its first reading and was read by title, considered and discussed. Persons interested in the proposed Bill were given an opportunity to be heard. On motion duly made and seconded, the Council voted for a second reading and the motion passed.

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(Other Proceedings)

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There being no further business to come before the meeting of the City Council, on motion duly made, seconded and carried, the meeting was adjourned.

[SEAL]

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City Clerk

December 7, 2017

**EXCERPT OF MINUTES OF
MEETING OF THE CITY COUNCIL
OF THE CITY OF LEE'S SUMMIT, MISSOURI**

The City Council of the City of Lee's Summit, Missouri, met in special session on **December 14, 2017**, at 6:15 p.m., in the Council Chamber at City Hall, 220 SE Green Street, in Lee's Summit, Missouri, and the following officials were present or absent as indicated:

Randall L. Rhoads, Mayor Present / Absent

Rob Binney, Councilmember Present / Absent

Trish Carlyle, Councilmember Present / Absent

Fred DeMoro, Councilmember Present / Absent

Phyllis Edson, Councilmember Present / Absent

Craig Faith, Councilmember Present / Absent

Diane Forte, Councilmember Present / Absent

Dave Mosby, Councilmember Present / Absent

Diane Seif, Councilmember Present / Absent

Denise Chisum, City Clerk Present / Absent

The Mayor declared that a quorum was present and called the meeting to order.

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(Other Proceedings)

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The matter of authorizing the issuance and delivery of not to exceed \$_____ principal amount of Special Obligation Tax Increment and Special District Refunding and Improvement Bonds (Summit Fair Project), Series 2017 of the City came on for consideration pursuant to an ordinance entitled as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND SPECIAL DISTRICT REFUNDING AND IMPROVEMENT BONDS (SUMMIT FAIR PROJECT), SERIES 2017 OF THE CITY OF LEE'S SUMMIT, MISSOURI, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS.

On motion duly made and seconded, the Bill was placed upon its second reading and final passage and was read by title, considered and discussed. Thereupon, the question was put to a roll call vote, and the vote thereon was as follows:

Aye:

Nay:

Abstain:

The Mayor declared said Bill duly passed and the Bill was then duly numbered Ordinance No. _____, and was signed and approved by the Mayor and attested by the City Clerk.

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(Other Proceedings)

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There being no further business to come before the meeting of the City Council, on motion duly made, seconded and carried, the meeting was adjourned.

[SEAL]

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City Clerk

Excerpt of Minutes
December 14, 2017