

ORDINANCE #68338
Board Bill No. 5

An ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Comptroller of the City of St. Louis, Missouri (the "City") to obtain a credit facility (the "Credit Facility") for the purpose of securing the outstanding City Justice Center Bonds (as defined herein), for the general welfare, safety, and benefit of the citizens of the City; authorizing the Comptroller of the City to execute and deliver a promissory note (the "Note") payable to Bank of America, N.A. (the "Bank") pursuant to which the Bank will issue the Credit Facility; authorizing the payment of certain obligations due to the Bank under the Note; authorizing the Mayor, the Comptroller, and any other appropriate City officials, if necessary, to execute any other documents related to the Note and the Credit Facility; authorizing and directing the taking of other actions and approval and execution of other documents as necessary or desirable to carry out and comply with the intent hereof; and containing an emergency clause.

WHEREAS, the Board of Aldermen of the City has previously authorized and directed the issuance by the St. Louis Municipal Finance Corporation (the "Corporation") of its City Justice Center Leasehold Revenue Improvement Bonds, Series 1996A Bonds (the "Series 1996A Bonds") and its City Justice Center Leasehold Revenue Improvement and Refunding Bonds, Series 1996B (the "Series 1996B Bonds") pursuant to an Indenture of Trust between the Corporation and UMB Bank of St. Louis, N.A., as trustee (the "Trustee"), dated as of August 1, 1996 (the "Master Indenture") and a First Supplemental Indenture of Trust between the Corporation and the Trustee, dated as of August 1, 1996 (the "First Supplemental Indenture") to finance the refunding of certain bonds previously issued by the Corporation, the proceeds of which were used to finance part of the St. Louis Jail Facilities (as defined in the Master Indenture) and completion of the Project (as defined in the Master Indenture and the First Supplemental Indenture), none of which Series 1996A Bonds are currently outstanding, and which Series 1996B Bonds are currently outstanding in the amount of \$10,835,000;

WHEREAS, the Board of Aldermen of the City has previously authorized and directed the issuance by the Corporation of its City Justice Center Leasehold Revenue Improvement Bonds, Series 2000A (the "Series 2000A Bonds") pursuant to the Master Indenture and a Second Supplemental Indenture of Trust between the Corporation and the Trustee, dated as of February 1, 2000 (the "Second Supplemental Indenture") to finance the costs of completion of the City Justice Center (as defined in the Master Indenture), which Series 2000A Bonds are currently outstanding in the amount of \$1,015,000;

WHEREAS, the Board of Aldermen of the City has previously authorized and directed the issuance by the Corporation of its City Justice Center Leasehold Revenue Refunding Bonds, Series 2001A, authorized by the City as the Series 2000B Bonds (the "Series 2001A Bonds") pursuant to the Master Indenture and a Third Supplemental Indenture of Trust between the Corporation and the Trustee, dated as of September 1, 2001 (the "Third Supplemental Indenture") to finance the costs of refunding certain Series 1996A Bonds, which Series 2001A Bonds are currently outstanding in the amount of \$58,195,000;

WHEREAS, the Board of Aldermen of the City has previously authorized and directed the issuance by the Corporation of its City Justice Center Leasehold Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds") pursuant to the Master Indenture and a Fourth Supplemental Indenture of Trust between the Corporation and the Trustee, dated as of September 1, 2005 (the "Fourth Supplemental Indenture") to finance the costs of refunding certain Series 2000A Bonds, which Series 2005 Bonds are currently outstanding in the amount of \$14,995,000;

WHEREAS, the outstanding Series 1996B Bonds, Series 2000A Bonds, and Series 2001A Bonds are secured by a standby letter of credit (the "Letter of Credit") issued by Bank of America, N.A. as credit provider (the "Credit Provider"), pursuant to that certain Application and Agreement for Standby Letter of Credit dated February 6, 2009 between the City and the Credit Provider, and by cash and investments on deposit in a debt service reserve fund established under the Master Indenture (the "Debt Service Reserve Fund");

WHEREAS, the outstanding Series 2005 Bonds are secured by the Letter of Credit, a surety bond ("Surety Bond") issued by Ambac Assurance Corporation ("Ambac"), and by cash and investments on deposit in the Debt Service Reserve Fund;

WHEREAS, the City and the Corporation have entered in a certain Lease Purchase Agreement dated as of August 1, 1996, as amended and supplemented by the First Supplemental Lease Agreement dated as of February 1, 2000, and the Second Supplemental Lease Agreement dated as of September 1, 2005 pursuant to which the City is obligated to make certain lease payments to be used, in part, by the Trustee to pay the principal of and interest on the Series 1996B Bonds, Series 2000A Bonds, Series 2001A Bonds, and Series 2005 Bonds (collectively, the "City Justice Center Bonds") and to fund the Debt Service Reserve Fund, as provided therein;

WHEREAS, the City utilized a portion of the cash and investments on deposit in the Debt Service Reserve Fund in order to pay certain principal and interest payments due on the City Justice Center Bonds as of February 15, 2009;

WHEREAS, the City previously expected to replace such cash and investments with an additional surety bond committed to and to be issued by Ambac securing the outstanding City Justice Center Bonds (an "Additional Surety Bond");

WHEREAS, Ambac's ratings by Moody's Investors Service, FitchRatings, and/or Standard & Poor's Ratings Services have been downgraded so that, as of the date hereof, the Surety Bond does not, nor would an Additional Surety Bond, satisfy the rating requirement (the "Rating Requirement") set forth in the Master Indenture, as supplemented by the First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, and Fourth Supplemental Indenture (collectively, the "Indenture");

WHEREAS, the Comptroller of the City has determined that it is in the best interest of the City (i) to execute the Note, (ii) to obtain the Credit Facility in a par amount not to exceed \$12,485,000, and (iii) to use the proceeds of the Credit Facility (a) to pay the costs of obtaining the Credit Facility, and (b) to make a deposit into the Debt Service Reserve Fund sufficient to replace the cash and investments which were used to make certain principal and interest payments on the City Justice Center Bonds on February 15, 2009, and to satisfy the Debt Service Reserve Fund requirements under the Indenture; and

WHEREAS, it is necessary and desirable in connection with the obtaining of the Credit Facility for the City to execute and deliver certain documents and take certain other actions as herein provided.

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

Section 1. Findings and Determinations. The Board of Aldermen hereby finds and determines that it is necessary and in the best interests of the City:

- (a) to execute the Note;
- (b) to obtain the Credit Facility in a par amount not to exceed \$12,485,000; and
- (c) to use the proceeds of the Credit Facility (1) to pay the costs of obtaining the Credit Facility, and (2) to make a deposit into the Debt Service Reserve Fund sufficient to replace the cash and investments which were used to make certain principal and interest payments on the City Justice Center Bonds on February 15, 2009 and to satisfy the Debt Service Reserve Fund requirements under the Indenture, and the Board of Aldermen hereby appropriates such proceeds of the Credit Facility for payment of the costs of obtaining the Credit Facility and for payment into the Debt Service Reserve Fund for said purposes.

Section 2. Authorization with Respect to Execution and Delivery of Documents. The Comptroller of the City is hereby authorized and directed to execute and deliver the Note and such other documents, certificates, and instruments as may be necessary or desirable to facilitate the issuance by the Bank of the Credit Facility and to carry out and comply with the intent of this Ordinance, in substantially such forms not inconsistent with the provisions of this Ordinance, as the Comptroller shall approve with the advice of P.G. Corbin & Company, Inc., the financial advisor to the City with respect to the City Justice Center Bonds, and Armstrong Teasdale LLP, bond counsel, and which the City Counselor shall approve as to form, and the signature of the Comptroller shall be conclusive as to the approval of such changes or modifications by the City. The terms and provisions of the Credit Facility shall be as provided for in the Note.

Section 3. Limited Obligation. The obligation of the City to make payments of principal and interest and to pay other amounts under the Note, if any, is subject to annual appropriation as provided therein. The obligation of the City to make such payments under the Note shall not constitute a debt of the City and shall not directly or contingently obligate the City to make any payments beyond those appropriated for its then current fiscal year.

Section 4. Further Authority. The Comptroller and other appropriate officers, agents, and employees of the City are hereby authorized to take such further actions and execute such other documents 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 Credit Agreement.

Section 5. Emergency Clause. By making an appropriation for the payment of principal or interest of the public

debt or for current expenses of the City government, this Ordinance shall be and is hereby declared to be an emergency measure within the meaning of Article IV, Sections 19 and 20, of the Charter of the City of St. Louis, and, as such, this ordinance shall take effect immediately upon its approval by the Mayor.

Approved: May 18, 2009