

BILL NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING THE DEPOSIT OF FUNDS BY THE CITY TO DEFEASE CERTAIN BONDS RELATED TO THE DRUMM FARM REDEVELOPMENT PROJECT; DISSOLVING THE RELATED SPECIAL ALLOCATION FUND ACCOUNT; TERMINATING THE REDEVELOPMENT AREA; AND PRESCRIBING MATTERS RELATED THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “Act”), authorizes municipalities to undertake redevelopment projects in blighted, conservation or economic development areas, as defined in the Act; and,

WHEREAS, the City passed Ordinance No. 14366 on December 6, 1999 (together with Ordinance No.’s. 13903, 13904, 14393, 15267, 15910 and 16187, the “TIF Ordinances”), in connection with various findings and determinations required by the Act, including but not limited to: (i) designation of a “redevelopment area,” as defined in the Act (the “Redevelopment Area”); (ii) adoption of tax increment financing with respect to the Redevelopment Area in order to finance certain costs of developing the Redevelopment Area; (iii) approval of the Golf Strategies Tax Increment Financing Plan (the “Redevelopment Plan”); and (iv) designation of a developer (the “Developer”) to carry out the Redevelopment Plan; and,

WHEREAS, the projects described in the Redevelopment Plan have been completed and the costs reimbursable to the Developer have been paid; and,

WHEREAS, the Missouri Development Finance Board (“MDFB”) issued its Infrastructure Facilities Refunding Revenue Bonds (City of Independence, Missouri - Drumm Farm Project), Series 2016C (the “Series 2016C Bonds”) in order to make a loan to the City to refinance costs of the Redevelopment Plan and the loan from the MDFB relating to the Series 2016C Bonds is the only outstanding obligation payable from tax increment financing revenues generated by the Redevelopment Area; and,

WHEREAS, funds on hand in the special allocation fund account established for the Redevelopment Area (the “Drumm Farm SAF Account”) are sufficient to defease and pay the outstanding Series 2016C Bonds (the “Defeased Bonds”) and to pay other remaining costs relating to the termination of the Redevelopment Area and the defeasance of the Defeased Bonds; and,

WHEREAS, the City desires to provide for the defeasance of the Defeased Bonds and to terminate tax increment financing within the Redevelopment Area on the earliest possible date.

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

**Section 1.** The City hereby approves and directs the defeasance of the Defeased Bonds, currently outstanding in the principal amount of \$415,000, through the prepayment of the City’s loan from MDFB at the earliest practical date.

**Section 2.** In connection with the defeasance of the Defeased Bonds, the City is authorized and directed to enter into an Escrow Trust Agreement among the City, the MDFB and UMB Bank, N.A., as Escrow Agent, in substantially the form on file in the records of the City (the "Escrow Agreement"). The City Manager and the City Clerk are hereby authorized and directed to execute the Escrow Agreement for and on behalf of and as the act and deed of the City, with such changes as shall be approved by the City Manager, with the City Manager's signature to the Escrow Agreement being conclusive evidence of that official's approval thereof. The Escrow Agent is hereby authorized to carry out, on behalf of the City, the duties, terms and provisions of the Escrow Agreement, and the Escrow Agent and Gilmore & Bell, P.C., as Bond Counsel, are authorized to take all necessary actions as described therein.

**Section 3.** Effective upon the delivery of the Escrow Trust Agreement by the parties thereto and the defeasance of the Defeased Bonds, the Finance Director of the City is hereby authorized and directed to apply all moneys then remaining in the Drumm Farm SAF Account as follows: (1) for payment of any remaining fees or expenses of the Escrow Agent, bond trustee or any other professionals or other entities relating to the Defeased Bonds or the Redevelopment Plan, (2) for payment of any remaining fees or expenses of any governmental entities payable from the Drumm Farm SAF Account with respect to the administration and/or termination of the Redevelopment Plan, and (3) all remaining amounts shall be declared as surplus and distributed as follows:

- (a) The City Council hereby declares as surplus all economic activity taxes (as defined in the Act) so remaining in the Drumm Farm SAF Account. Such surplus economic activity taxes shall be paid to the taxing districts from which they originate, as provided in Section 99.820 of the Act.
- (b) All remaining moneys in the Drumm Farm SAF Account shall be paid to the County Collector or other appropriate office for distribution to the appropriate taxing districts in the manner provided in the Act.

**Section 4.** Upon distribution of all funds on deposit in the Drumm Farm SAF Account as described in Section 3, the Finance Director is hereby directed to dissolve the Drumm Farm SAF Account.

**Section 5.** Effective upon the date of execution of this Ordinance, the City Council hereby terminates tax increment financing within the Redevelopment Area.

**Section 6.** The City Manager, Finance Director and the City Clerk are hereby authorized and directed to execute and deliver the Escrow Agreement 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.** 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 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, unless the court finds that the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

**Section 8.** This Ordinance shall be in full force and effect from and after the date of its passage.

**Section 9.** This Ordinance, in the judgment of the Council, is deemed to be of an urgent nature and its immediate passage is necessary for the preservation of the public peace, property, health, safety and welfare of the residents of the City of Independence and should become effective immediately upon the

date of its passage for the reason that immediate action is necessary as part of the plan for restructuring outstanding tax increment financing obligations in connection with the refunding of certain outstanding bonds issued for the Crackerneck Creek project.

PASSED AS AN EMERGENCY THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021, BY  
THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

\_\_\_\_\_  
Presiding Officer of the City Council of  
the City of Independence, Missouri

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
City Counselor

REVIEWED BY:

\_\_\_\_\_  
City Manager