

NEW ISSUE  
(Book Entry Only)

S&P Rating - “\_\_”  
See “RATING” herein.

*In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), (1) the interest on the Series 2022 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, (2) the interest on the Series 2022 Bonds is exempt from Missouri income taxation by the State of Missouri and (3) the Series 2022 Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See “TAX MATTERS” in this Official Statement.*

**MISSOURI DEVELOPMENT FINANCE BOARD**

**[\$[Principal Amount]\*  
Infrastructure Facilities Refunding and Improvement Revenue Bonds  
(City of Independence, Missouri – Events Center Project)  
Series 2022**

**Dated: Date of Delivery**

**Due: See Inside Cover Page**

The Series 2022 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Principal of and semiannual interest on the Series 2022 Bonds will be paid from moneys available therefore under the Indenture (herein defined) by UMB Bank, N.A., Kansas City, Missouri, as Trustee and Paying Agent. Principal of the Series 2022 Bonds will be due as shown on the inside cover page. Interest on the Series 2022 Bonds will be payable on each April 1 and October 1, beginning on October 1, 2022.

**The Series 2022 Bonds are subject to redemption prior to maturity as described herein. See “THE SERIES 2022 BONDS-Redemption.”**

The Series 2022 Bonds will be payable solely from, and will be secured by: (i) an assignment and a pledge of Loan Payments made by the City of Independence, Missouri (the “City”), pursuant to the Financing Agreement between the Missouri Development Finance Board (the “Board”) and the City, which Financing Agreement includes a covenant of the City to seek annual appropriations by its City Council of legally available funds for payment of Loan Payments sufficient to pay debt service on the Series 2022 Bonds; (ii) subject to the conditions and limitations described herein, certain CID Sales Tax Revenues and TIF Revenues; and (iii) certain other funds held by the Trustee under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS.”

**Payment of the principal of and interest on the Series 2022 Bonds is not secured by any deed of trust, mortgage or other lien on the Events Center or any other facilities or property of the City.**

THE SERIES 2022 BONDS ARE NOT AN INDEBTEDNESS OF THE BOARD, THE CITY, THE CID, THE STATE OF MISSOURI (THE “STATE”) OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OR LAWS OF THE STATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY, THE CID, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2022 BONDS. THE ISSUANCE OF THE SERIES 2022 BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE CITY, THE CID, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT, EXCEPT AS OTHERWISE DESCRIBED HEREIN. THE BOARD HAS NO TAXING POWER.

*The Series 2022 Bonds are offered when, as and if issued by the Board and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of their validity by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, as described herein. Certain legal matters will be passed on for the City by Lauber Municipal Law, LLC, Lee’s Summit, Missouri, serving as the City Counselor of Independence, Missouri, for the Board by Gilmore & Bell, P.C., Kansas City, Missouri, and for the CID by Armstrong Teasdale LLP. It is expected that the Series 2022 Bonds will be available for delivery through DTC in New York, New York on or about April \_\_, 2022.*

**Robert W. Baird & Co. Incorporated**

The date of this Official Statement is \_\_\_\_, 2022

\* Preliminary, subject to change.

**MISSOURI DEVELOPMENT FINANCE BOARD**

**\$[Principal Amount]\*  
Infrastructure Facilities Refunding and Improvement Revenue Bonds  
(City of Independence, Missouri – Events Center Project)  
Series 2022**

**Dated: Date of Delivery**

**Due: April 1 as shown below**

**Maturity Schedule\***

**Serial Bonds\*\***

<b><u>Due April 1</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Offering Price</u></b>	<b><u>CUSIP No.†</u></b>
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**Term Bonds**

<b><u>Due April 1</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Offering Price</u></b>	<b><u>CUSIP No.†</u></b>
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\* Preliminary, subject to change.

\*\* Serial maturities may be aggregated into one or more term bonds with mandatory sinking fund payments per the serial maturity schedule.

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## **REGARDING USE OF THIS OFFICIAL STATEMENT**

No dealer, broker, salesman or other person has been authorized by the Board, the City, the CID, the Municipal Advisor or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact. The information set forth herein has been obtained from the Board, the City, the CID and other sources believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Board, the Municipal Advisor or the Underwriter. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Board, the CID or the City since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

**IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE SERIES 2022 BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY BOARD. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

### **CAUTIONARY STATEMENTS REGARDING FORWARD- LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

This Official Statement contains “forward-looking statements.” These forward-looking statements include statements about the City’s projections and future plans and strategies, and other statements that are not historical in nature. These forward-looking statements are based on the current expectations of the City. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements. These future risks and uncertainties include those discussed in the **“BONDOWNERS’ RISKS”** section of this Official Statement as well as under the caption **“THE CID – Projected Debt Service Coverage of the CID Sales Tax Revenues.”** The City undertakes no obligation to update any forward-looking statements contained in this Official Statement to reflect future events or developments.

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## OFFICIAL STATEMENT

### MISSOURI DEVELOPMENT FINANCE BOARD

**[\$[Principal Amount]\***

**Infrastructure Facilities Refunding and Improvement Revenue Bonds  
(City of Independence, Missouri – Events Center Project)  
Series 2022**

### INTRODUCTORY STATEMENT

*The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and Appendices, must be considered in its entirety. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in **Appendix C** hereto.*

#### **Purpose of the Official Statement**

This Official Statement, including the cover page and the Appendices, sets forth certain information in connection with (i) the issuance and sale by the Missouri Development Finance Board, a body corporate and politic of the State of Missouri (the “Board”), of the above-described series of bonds (the “Series 2022 Bonds”), (ii) the City of Independence, Missouri (the “City”), (iii) the Independence Events Center Community Improvement District, a political subdivision of the State of Missouri (the “CID”), and (iv) the Events Center Project more fully described herein (the “Events Center”).

#### **The Board**

The Board is a body corporate and politic created and existing under the laws of the State of Missouri (the “State”), including particularly the Missouri Development Finance Board Act, Sections 100.250 to 100.297, inclusive, of the Revised Statutes of Missouri, as amended (the “Act”).

#### **The City**

The City is a constitutional charter city and political subdivision of the State. See the caption “**THE CITY**” herein and “**Appendix A: INFORMATION CONCERNING THE CITY OF INDEPENDENCE, MISSOURI.**”

#### **The CID**

The CID is a community improvement district, and a political subdivision of the State, formed under Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “CID Act”). The CID was formed on December 20, 2007, through the passage of an ordinance by the City Council of the City. See the caption “**THE CID**” herein.

#### **Loan of Bond Proceeds**

The proceeds of the Series 2022 Bonds will be loaned by the Board to the City pursuant to a Financing Agreement dated as of April 1, 2008 as supplemented and amended by a Series 2008H Supplemental

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\* Preliminary, subject to change.

Financing Agreement dated as of November 1, 2008, a Series 2009A Supplemental Financing Agreement dated as of February 1, 2009, a Series 2009F Supplemental Financing Agreement dated as of April 1, 2009, a Series 2010A Supplemental Financing Agreement dated as of March 1, 2010, a 2011A Supplemental Financing Agreement dated as of November 15, 2011, a Series 2012C Supplemental Financing Agreement dated as of October 15, 2012, a Series 2016A Supplemental Financing Agreement dated as of July 1, 2016, a Series 2021 Supplemental Financing Agreement dated as of November 1, 2021 and a Series 2022 Supplemental Financing Agreement dated as of April 1, 2022 (collectively, the “Financing Agreement”) to provide funds, together with other available money, to (i) refund, on a current basis, one series of bonds previously issued by the Board for the benefit of the City (the “Refunded Bonds” as further described herein) to refinance a portion of the costs of completing a multipurpose events center in the City (the “Events Center”) and (ii) pay the costs of certain **improvements to and equipment for** the Events Center (the “Series 2022 Project”). A description of the Events Center is set forth under the caption **“THE EVENTS CENTER PROJECT.”** The proceeds of the Series 2022 Bonds will also be used to pay the costs of issuing the Series 2022 Bonds and the incidental costs of refunding the Refunded Bonds, all as more fully described herein under the caption **“PLAN OF FINANCING – Estimated Sources and Uses of Funds.”**

### **The Series 2022 Bonds**

The Series 2022 Bonds will be issued pursuant to the Act and the Bond Trust Indenture dated April 1, 2008 as supplemented and amended by a Series 2008H Supplemental Bond Trust Indenture dated as of November 1, 2008, a Series 2009A Supplemental Bond Trust Indenture dated as of February 1, 2009, a Series 2009F Supplemental Bond Trust Indenture dated as of April 1, 2009, a Series 2010A Supplemental Bond Trust Indenture dated as of March 1, 2010, a Series 2011A Supplemental Bond Trust Indenture dated as of November 15, 2011, a Series 2012C Supplemental Bond Trust Indenture dated as of October 15, 2012, a Series 2016A Supplemental Bond Trust Indenture dated as of July 1, 2016, a Series 2021 Supplemental Bond Trust Indenture dated as of November 1, 2021, and a Series 2022 Supplemental Bond Trust Indenture dated as of April 1, 2022 (collectively, the “Indenture”), all between the Board and UMB Bank, N.A., Kansas City, Missouri (as successor to Commerce Bank, and as named trustee, the “Trustee”), for the purpose of providing funds to make a loan to the City pursuant to the Financing Agreement, in consideration of payments by the City, which will be sufficient to pay the principal of, premium, if any, and the interest on the Series 2022 Bonds, all as more fully described in the Financing Agreement and the Indenture. A description of the Series 2022 Bonds is contained in this Official Statement under **“THE SERIES 2022 BONDS.”** All references to the Series 2022 Bonds are qualified in their entirety by the definitive forms thereof and the provisions with respect thereto included in the Indenture and the Financing Agreement.

### **Security for the Series 2022 Bonds**

The Series 2022 Bonds and the interest thereon are special, limited obligations of the Board payable by the Board solely from (1) certain payments to be made by the City under the Financing Agreement, (2) subject to the conditions described herein, certain CID Sales Tax Revenues and TIF Revenues; and (3) certain other funds held by the Trustee under the Indenture, and not from any other fund or source of the Board. Payments under the Financing Agreement are designed to be sufficient, together with other funds available for such purpose, to pay when due the principal of, premium, if any, and interest on the Series 2022 Bonds. Except as noted herein, all payments by the City under the Financing Agreement are subject to annual appropriation. Pursuant to the Indenture, the Board will assign to the Trustee, for the benefit and security of the registered owners of the Series 2022 Bonds, substantially all of the rights of the Board in the Financing Agreement, including all Loan Payments and Additional Payments payable thereunder. As described below, the Board’s Series 2016A Bonds and Series 2021 Bonds previously issued for the Events Center and the Series 2022 Bonds are secured on a parity as to the pledge of CID Sales Tax Revenues and TIF Revenues, but are not secured on a parity as to the debt service reserve fund previously established for the Series 2016A Bonds. No debt service reserve fund was established for the Series 2021 Bonds and no debt service reserve fund is being established for the Series 2022 Bonds. The Series 2016A Bonds, the Series 2021 Bonds and the Series 2022 Bonds are referred to herein as the “Events Center Bonds.”

The Series 2022 Bonds are not an indebtedness of the Board, the City, the CID, the State or any other political subdivision thereof within the meaning of any provision of the constitution or laws of the State. Neither the full faith and credit nor the taxing powers of the City, the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2022 Bonds. The issuance of the Series 2022 Bonds shall not, directly, indirectly or contingently, obligate the City, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment, except as otherwise described herein. The Board has no taxing power. See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS”** herein.

### **Annual Appropriation Covenant**

The Financing Agreement contains an annual appropriation covenant pursuant to which the City agrees to budget and appropriate sufficient moneys to pay all Loan Payments and reasonably estimated Additional Payments for the next succeeding fiscal year. If the City continues to appropriate such moneys, the City’s obligations to make Loan Payments and Additional Payments will be payable from General Fund and other available revenues of the City for that fiscal year. The taxing power of the City is not pledged to the payment of Loan Payments either as to principal or interest. See the caption **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – City Annual Appropriation Obligation.”**

### **Additional Bonds**

The Indenture provides for the issuance of additional bonds (“Additional Bonds”) which, if issued, would rank on a parity with the Events Center Bonds and any other bonds then outstanding under such Indenture issued on a parity with the Events Center Bonds. See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Additional Bonds”** and **“SUMMARY OF THE INDENTURE – Authorization of Additional Bonds”** in Appendix C hereto.

The Series 2022 Bonds are the tenth series of bonds to be issued for the Events Center and the fifth of such series issued to refund a prior series of bonds issued for the Event Center. A portion of the cost the Events Center was financed by the Board in April 2008 through the issuance of its Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project) Series 2008D in the aggregate principal amount of \$12,325,000 (the “Series 2008D Bonds”), in November 2008 through the issuance of its Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project) Series 2008H in the aggregate principal amount of \$10,725,000 (the “Series 2008H Bonds”) (which were refunded with proceeds of the Series 2011A Bonds described below), in February 2009 through the issuance of its Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project) Series 2009A in the aggregate principal amount of \$15,190,000 (the “Series 2009A Bonds”), in April 2009 through the issuance of its Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project) Series 2009F in the aggregate principal amount of \$44,045,000 (the “Series 2009F Bonds”) and in March 2010 through the issuance of its Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project) Series 2010A in the aggregate principal amount of \$2,950,000. The Series 2008H Bonds were advance refunded in November, 2011 with proceeds of the Board’s Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project Series 2011A which were issued in the amount of \$11,815,000 (the “Series 2011A Bonds”) (which were refunded with proceeds of the Series 2021 Bonds described below). The Series 2009A Bonds, the Series 2009F Bonds and the Series 2010A Bonds were advance refunded with proceeds of the Board’s Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Events Center Project), Series 2012C which were issued in the amount of \$68,945,000 (the “Series 2012C Bonds”). The Series 2008D Bonds were advance refunded with proceeds of the Board’s Infrastructure Facilities Refunding Revenue Bonds (City of Independence, Missouri - Events Center Project), Series 2016A which were issued in the amount of \$12,005,000 (the “Series 2016A Bonds”). The Series 2011A Bonds were refunded on a current basis with proceeds of the Board’s Infrastructure Facilities Refunding Revenue Bonds (City of Independence, Missouri – Events Center Project), Series 2021 which were issued in the amount of \$9,730,000 (the “Series 2021 Bonds”).

The proceeds of the Series 2022 Bonds will be used to (i) refund, on a current basis, all of the outstanding Series 2012C Bonds and (ii) to provide funds for the Series 2022 Project. After the issuance of the Series 2022 Bonds, the Series 2016A Bonds, the Series 2021 Bonds and the Series 2022 Bonds will remain outstanding.

The Series 2016A Bonds, the Series 2021 Bonds and the Series 2022 Bonds are secured on a parity as to the pledge of CID Sales Tax Revenues and TIF Revenues described herein, provided that the debt service reserve fund previously established for the Series 2016A Bonds does not secure the Series 2021 Bonds or the Series 2022 Bonds. No debt service reserve fund was established for the Series 2021 Bonds and no debt service reserve fund is being established for the Series 2022 Bonds.

### **CID Sales Tax Revenues**

As more fully described herein, the City's obligation to make Loan Payments with respect to the Series 2022 Bonds under the Financing Agreement will, in addition to the annual appropriation covenant discussed above, be secured by the CID Sales Tax Revenues (defined herein). The CID Sales Tax Revenues are subject to annual appropriation by the Board of Directors of the CID. The CID Sales Tax Revenues consist of the collections of a sales tax levied by the CID, less certain administration and collection costs.

### **Subordinate Lien on Certain TIF Revenues**

The City will, on a subordinate basis, subject to annual appropriation, pledge certain TIF Revenues from three existing tax increment financing ("TIF") redevelopment areas to the payment of the Series 2022 Bonds. The TIF Revenues available to make payments on the Series 2022 Bonds will be limited to an amount equal to 50% of the CID Sales Tax Revenues generated within the three tax increment financing districts and which are captured by those existing TIF districts, and not from any other revenues generated as a result of tax increment financing in those districts. The City has completed amendments to the applicable TIF Plans to allow the funding of the Events Center from these revenues on a subordinate basis. The pledge of such revenues will be subordinate to the payment of other outstanding bonds issued by the Board for projects unrelated to the Events Center and the payment of certain other amounts and will be also be subordinate to the payment of other bonds that the Board may issue in the future payable from such revenues. There is no limit on the amount of additional bonds the City may issue that are payable from such TIF Revenues. As a result, potential investors should not purchase the Series 2022 Bonds in reliance on the availability of such TIF Revenues for payment of the Series 2022 Bonds. See **"SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Subordinate Lien on Certain TIF Revenues"** herein.

### **Bondowners' Risks**

Payment of the principal of and interest on the Series 2022 Bonds is primarily dependent upon the collection of CID Sales Tax Revenues and the City's decision to continue to annually appropriate sufficient moneys to make Loan Payments under the Financing Agreement. See **"BONDOWNERS' RISKS"** for a discussion of certain risks.

### **Continuing Disclosure**

The City will execute a Continuing Disclosure Undertaking for the benefit of the owners of the Series 2022 Bonds to provide certain annual financial information and notices of the occurrence of certain material events. The information will include a description of the CID Sales Tax Revenues and TIF Revenues received by the City. A form of the Continuing Disclosure Undertaking is attached to this Official Statement in **Appendix G** hereto.



## Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement are set forth in **Appendix C** of this Official Statement. Summaries of the Indenture, the Financing Agreement, the City's Authorizing Ordinance and the Cooperative Agreement between the CID and the City (as amended, the "Cooperative Agreement") are included in this Official Statement in **Appendix C** hereto, except as otherwise noted. Such definitions and summaries do not purport to be comprehensive or definitive. All references herein to the specified documents are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be viewed at the office of the Trustee, UMB Bank, N.A., Corporate Trust Department, 928 Grand Blvd, 12th Floor, Kansas City, MO 64106. Copies of such documents and the other documents described herein will be available at the offices of the Underwriter, Robert W. Baird & Co. Incorporated, at 8000 Maryland Avenue, Suite 500, Clayton, Missouri 63105 during the period of the offering and, thereafter, at the office of the Trustee.

## THE BOARD

### General

The issuer of the Series 2022 Bonds is the Missouri Development Finance Board (the "Board"). The Board is a body corporate and politic created and existing under the laws of the State of Missouri, including particularly the Missouri Development Finance Board Act, Sections 100.250 to 100.297, inclusive, of the Revised Statutes of Missouri, as amended (the "Act"). The Series 2022 Bonds will be authorized and issued by the Board under the provisions of the statutes of the State of Missouri, including the Act. Missouri law requires that the State shall not be liable in any event for the payment of the principal of or interest on any bonds of the Board or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Board and no breach of any such pledge, mortgage, obligation or agreement may impose any pecuniary liability upon the State or any charge upon the general credit or taxing power of the State.

### Organization and Membership

The Board was established pursuant to the Act in 1982 and consists of twelve members, eight of which are appointed by the Governor, with the advice and consent of the Senate. The Lieutenant Governor, the Director of the Department of Economic Development, the Director of the Department of Agriculture and the Director of the Department of Natural Resources serve as ex-officio, voting members of the Board. No more than five of the members may be of the same political party except for the Lieutenant Governor, the Director of the Department of Economic Development, the Director of the Department of Agriculture and the Director of the Department of Natural Resources. Appointed members serve terms of four years. Each member of the Board continues to serve until a successor has been duly appointed and qualified, unless such position becomes vacant under Missouri law.

**Mark Stombaugh** serves as Executive Director of the Board.

As of the date hereof, the members of the Board and the terms of appointed members are as follows. There is one vacancy on the board.

- **Marie J. Carmichael** – Chair, term as a member expired September 14, 2020. Ms. Carmichael is owner of Affordable Homes Development in Springfield, Missouri.
- **Matthew L. Dameron** – Secretary, term as a member expired September 14, 2019. Mr. Dameron is a partner with Williams Dirks Dameron LLC in Kansas City, Missouri.

- **John E. Mehner** – Treasurer, term as a member expired September 14, 2019. Mr. Mehner is President and CEO of the Cape Girardeau Area Chamber of Commerce in Cape Girardeau, Missouri.
- **Brent T. Buerck** – term as a member expires September 14, 2022. Mr. Buerck is the City Administrator of the City of Perryville, Missouri.
- **Dan E. Cranshaw** - term as a member expires September 14, 2022. Mr. Cranshaw is a shareholder at Polsinelli PC.
- **Rick Holton, Jr.** - term as a member expires September 14, 2022. Mr. Holton is Managing Partner of FINTOP Capital in St. Louis, Missouri.
- **John M. Parry** – term as a member expires September 14, 2024. Mr. Parry is chief executive officer of The Parry Group, a holding company for health care properties in Liberty, Missouri
- **Mike Kehoe** – ex-officio member. The Honorable Mike Kehoe is the Lieutenant Governor of the State of Missouri.
- **Maggie Kost** – ex-officio member. Ms. Kost is the Director of the Department of Economic Development.
- **Chris Chinn** – ex-officio member. Ms. Chinn is the Director of the Department of Agriculture.
- **Dru Buntin** – ex-officio member. Mr. Buntin is the Director of the Department of Natural Resources.

#### **Other Indebtedness of the Board**

The Board has sold and delivered other bonds and notes secured by instruments separate and apart from, and not secured by, the Indenture securing the Series 2022 Bonds. The holders and owners of such bonds and notes have no claim on assets, funds or revenues of the Board pledged under the Indenture, and the owners of the Series 2022 Bonds will have no claim on assets, funds or revenues of the Board securing other bonds and notes. The Board has never defaulted on any of its bonds or notes.

With respect to additional indebtedness of the Board, the Board intends to enter into separate agreements for the purpose of providing financing for other eligible projects and programs. Issues that may be sold by the Board in the future will be created under separate and distinct indentures or resolutions and secured by instruments, properties and revenues separate from those securing the Series 2022 Bonds.

EXCEPT FOR INFORMATION CONCERNING THE BOARD IN THE SECTIONS OF THIS OFFICIAL STATEMENT CAPTIONED “**THE BOARD**” AND “**LITIGATION – THE BOARD**,” NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE BOARD AND THE BOARD MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

## THE CITY

Incorporated in 1849, the City of Independence, Missouri (the “City”) is the county seat of Jackson County, Missouri and adjoins Kansas City, Missouri to the west. The City is the fifth largest city in Missouri. The City is organized under the laws of the State of Missouri and operates under a Constitutional Charter approved by the voters in October 1961. The City is governed according to a Council-Manager Plan. The City Council, which consists of seven members, including the Mayor, is the legislative governing body of the City. Non-partisan elections are held every two years to provide for staggered terms of office. The Mayor and two at-large council members are elected to four-year terms and, in alternating elections, the four district council members are elected to four-year terms. Certain information describing the City is attached hereto in **Appendix A.**

## PLAN OF FINANCING

### Events Center Refunding

To effect the refunding of the Refunded Bonds a portion of the proceeds of the Series 2022 Bonds will be deposited in an Escrow Fund created under a letter of instructions to redeem bonds (the “Escrow Agreement”) from the Board and the City to the Trustee, as Escrow Agent. The moneys deposited in the Escrow Fund will be sufficient, without consideration of reinvestment, to pay the principal of and interest on the Refunded Bonds on the redemption date. The Escrow Agent will transfer sufficient moneys for the payment and redemption of the Refunded Bonds on the redemption date thereof to the Trustee, as paying agent for the Refunded Bonds.

Set forth below is a description of the Refunded Bonds:

#### Series 2012C Bonds to be Refunded

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
April 1, 2027	\$7,790,000	3.500%	60636C7E3	___/___/22	100%
April 1, 2032	16,030,000	4.000	60636C7F0	___/___/22	100
April 1, 2038	16,450,000	5.000	60636C7G8	___/___/22	100
April 1, 2038	22,845,000	4.250	60636C8E2	___/___/22	100

### Verification of Mathematical Computations

Upon delivery of the Series 2022 Bonds, Robert Thomas CPA, LLC, a firm of independent certified public accountants, will deliver a report verifying the mathematical accuracy of certain computations relating to the adequacy of the amounts held in the Escrow Fund to pay the principal of and interest on the Refunded Bonds on the redemption date.

### The Series 2022 Project

The Series 2022 Project includes [REDACTED].

[\*\*also need facilities report\*\*]

Approximately \$\_\_\_\_\_ of the proceeds of the Series 2022 Bonds will be applied to costs of the Series 2022 Project.

## Estimated Sources and Uses of Funds\*

The proceeds of the Events Center Bonds will be applied as follows:

### *Sources of Funds:*

Principal amount  
Reoffering Premium (Discount)  
Contribution of Funds on Hand  
Total sources of funds

### *Uses of Funds:*

Deposit to the Escrow Fund  
Deposit to Project Fund  
Costs of Issuance\*  
Total uses of funds

† Includes underwriter's discount.

## THE CID

### General

The Independence Events Center Community Improvement District (the "CID") is a community improvement district, and a political subdivision of the State of Missouri, formed under Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"). The CID was formed on December 20, 2007, through the passage of an ordinance by the City Council of the City.

### Land Area and Existing Development

The CID encompasses approximately 1,294 acres generally located at the intersection of Interstate 70 and Missouri Highway 291, all within the city limits of the City, and as further identified in the map below. The boundaries of the CID include a significant amount of existing retail development, including the following:

1. Eastland Center: The Eastland Center Project is a tax increment financing project initiated by the City over approximately 212 acres. The Eastland Center area includes retail, commercial and hotel development, including a Costco, Lowe's and CarMax, among smaller retailers and restaurants. The site of the Events Center is also within the Eastland Center tax increment financing redevelopment area.

2. Bolger Square: The retail and commercial development in Bolger Square is anchored by Target and contains a JoAnn Fabrics and Crafts, a Dollar Tree and a Genesis Health Club, among smaller retailers and restaurants. Bolger Square was formerly a tax increment financing project but tax increment financing is no longer in effect because all eligible redevelopment project costs have been paid.

3. Independence Center: Independence Center is an indoor shopping mall with over 80 stores and restaurants including Dillard's, Dick's Sporting Goods, Old Navy, Carhartt, Forever 21 and American Eagle. Independence Center is within the boundaries of the CID but is not within an existing tax increment financing area of the City.

4. Crossroads: The Crossroads development contains a Wal-Mart Supercenter, a Sam's Club, a PetSmart, a Guitar Center Music Store and several restaurants. The Crossroads development is generally located west and north of Independence Center and is

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\* Preliminary, subject to change.

within the CID. Similar to Bolger Square, Crossroads was formerly a tax increment financing project but tax increment financing is no longer in effect because all eligible redevelopment project costs have been paid.

5. Independence Commons – This shopping center is located within the CID generally north of Independence Center and includes a Best Buy, Marshalls, Ross Dress for Less, Shoe Carnival, Five Below, Kohl's, a movie theater and other commercial uses. Like Bolger Square and Crossroads, Independence Commons was formerly a tax increment financing project but tax increment financing is no longer in effect because all eligible redevelopment project costs have been paid.

6. Centerpoint Project – The Centerpoint redevelopment project is comprised of a hospital facility, the Sarah Cannon Cancer Institute, an ambulatory surgery center and a medical office building. The Centerpoint Project does not generate significant sales tax revenue.

7. Trinity Project – The Trinity tax increment financing project was projected to include retail stores, including restaurants, comprising approximately 33,200 square feet, approximately 98,250 square feet of general commercial space and multiple office buildings. To date, a Drury Inn, The Corner Café, a Culver's and an Arby's restaurants are open in the Trinity Project. The CID is not aware of any additional development plans for the Trinity Project.

8. Hartman Heritage Center – Hartman Heritage Center contains restaurant and retail establishments, including David's Bridal, Party City, World Market, Half-Price Books, Beauty Brands as well as a 201 room Hilton Garden Inn. The Hartman Heritage Center was formerly a tax increment financing project but tax increment financing expired in May of 2021.

9. Menards Development – As part of the I-70 and Little Blue Parkway tax increment financing project, a Menards home improvement store was completed within the CID in 2016. The Menards development also includes four restaurants and a gas station. A portion of the CID Sales Tax generated by the Menards development is subject to capture as economic activity taxes or "EATS" under the I-70 and Little Blue Parkway tax increment financing plan, but is returned to the CID pursuant to a cooperative agreement.

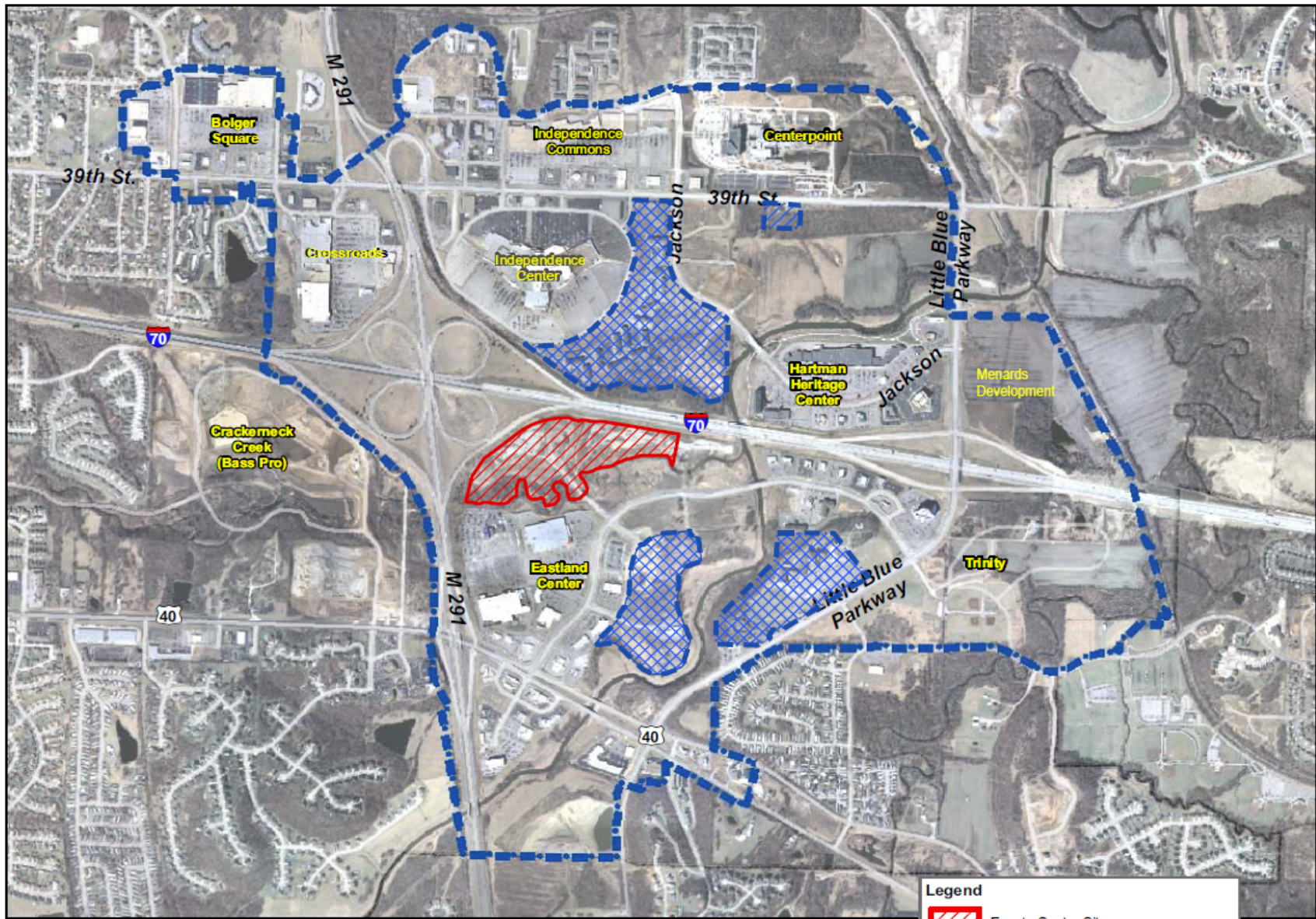
The CID includes numerous other smaller retail establishments, restaurants and other commercial uses.

The CID is also adjacent to the Crackerneck Creek redevelopment project. The Crackerneck Creek project includes a Bass Pro Store, a hotel, a Duluth Trading Company and other retail and restaurant uses. The Crackerneck Creek Project is not in the CID.

A map of the boundaries of the CID is included on the following page. The map identifies the general location of the other developments described above. Areas noted as being excluded from the CID boundaries are residential areas. The CID does not include any residential uses.

*[remainder of page intentionally left blank]*





1 inch equals 1,458 feet

### Independence Events Center CID Boundary

Legend	
	Events Center Site
	Areas Excluded from CID
	Events Center CID Boundary

## CID Governance and Administration

The CID Act vests all power of the CID in a Board of Directors. The Board of Directors is appointed by the City. Members of the Board of Directors serve a term of four years, except that the term of the initial members of the Board of Directors are staggered so that the terms of the initial members are either two-year or four-year terms. Each director serves without compensation and may be removed by the CID with cause. The by-laws of the CID provide for the annual election of officers.

The current directors and officers of the CID and the date on which their terms expire are as follows:

Name	Office	Affiliation	Term Expires
Samantha Morris	President	City of Independence, Asst. to City Manager	12/19/2023
Matt Farlin	Vice President	Public Representative, Midwest Public Risk	12/19/2025
Morris Heide	Executive Director	City of Independence, Director of Parks & Recreation	12/19/2025
Bryan Kidney	Secretary/Treasurer	City of Independence, Director of Finance	12/19/2023

To be eligible to serve as a Director an individual must be (1) at least twenty-one years of age; and (2) be either an owner, or representative of an owner, of real property within the CID. There are currently two vacant seats on the CID board. CID board members continue to serve until their replacement is appointed. Three of the five board members must be City employees.

The CID has entered into a Cooperative Agreement with the City (as amended, the “Cooperative Agreement”) which provides that the CID will, subject to annual appropriation by the CID, remit the collections of the CID Sales Tax to the City on a monthly basis. The City will then apply the CID Sales Tax Revenues to make principal and interest payments on the Series 2022 Bonds. So long as no Event of Default shall have occurred and be continuing under the Financing Agreement, any CID Sales Tax Revenues determined by the City to be in excess, together with other funds available for such purpose, of the amounts due on the loans relating to Events Center Bonds on the next payment date for such loans may be applied by the City and the CID as provided in the Cooperative Agreement with respect to amounts remaining after the payment of debt service (see **“SUMMARY OF THE COOPERATIVE AGREEMENT – Distribution of the District Sales Tax Revenue”** in **Appendix C** hereto for a description of the priority of distribution of revenues under the Cooperative Agreement), which includes expenditures for public improvements and services eligible for funding under the CID Act and the Cooperative Agreement. These include such things as a bus or trolley system to operate in the area of the CID and certain costs related to the Events Center not paid out of the proceeds of Events Center Bonds.

### CID Sales Tax

On February 26, 2008, the qualified voters of the CID approved the imposition of a sales tax in the amount of up to one percent (1.0%) on all transactions that are taxable pursuant to the CID Act (the “CID Sales Tax”). The original intention of the CID, which was presented to the voters of the CID during the election process, is that the CID Sales Tax will be imposed at a rate of 0.5% for a period of 20 years and thereafter be increased to 0.625% for the remaining life of the CID, provided that the rate of the tax would be increased if

necessary, but only to the maximum of 1.0%, to pay debt service on any bonds issued to finance the completion of the Events Center.

In 2011, the CID Board of Directors authorized an increase in the rate of the CID Sales Tax to 0.75% (which became effective July 1, 2012), and in 2018, the CID Board of Directors authorized an increase in the rate of the CID Sales Tax to 1.0% (which became effective January 1, 2019). The CID Sales Tax is currently being imposed at its maximum rate. See **“Projected Debt Service Coverage of the CID Sales Tax Revenues”** below.

The CID Sales Tax can remain in effect for a total of 35 years. Businesses having taxable sales in the CID will collect the CID Sales Tax and forward it to the State of Missouri, which in turn will remit the CID Sales Tax to the CID. Collection of the CID Sales Tax began July 1, 2008.

In the Cooperative Agreement, the CID has covenanted, subject to annual appropriation by the Board of Directors of the CID, to remit moneys it receives from the CID Sales Tax to the City. The City has covenanted under the Financing Agreement to use CID Sales Tax Revenues for payment of the Series 2022 Bonds. CID Sales Tax Revenues consist of revenues received by the City from the CID Sales Tax, less (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (ii) such amount as is retained by the State of Missouri for collecting the CID Sales Tax, (iii) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (iv) an administration fee payable to the City for administering and accounting for the CID Sales Tax in the amount of 2% of the total CID Sales Tax, plus any actual costs and expenses incurred by the City greater than such 2% amount, (v) a one-time payment to the City of \$1,200 to reimburse the City for administrative set-up costs and expenses of the CID, (vi) actual, reasonable operating costs of the CID, and (vii) any costs and expenses incurred in connection with any collection or enforcement issues associated with the CID Sales Tax in which the City may participate with or at the direction of the Missouri Department of Revenue. In addition to the 2% administration and accounting expenses, the City estimates that CID operating costs (e.g. such things as insurance, legal, auditing and banking costs) will be approximately \$25,000 per year. The CID also budgets for contractual and capital improvement expenses for the benefit of the Events Center. Such expenses are generally budgeted from the existing unallocated fund balance of the CID and historically have ranged in amounts up to \$3.4 million. The City anticipates that such amounts could increase in the future as the facility ages and additional capital and maintenance costs are necessarily incurred to keep the facility operating at its current level.

Pursuant to the Authorizing Ordinance, the City will use the CID Sales Tax Revenues to make principal and interest payments on the Series 2022 Bonds. The City may use CID Sales Tax Revenues which are in excess of the amounts necessary for the payment of debt service on Events Center Bonds for the purpose of paying costs of public improvements and services in the CID. See **“SUMMARY OF THE AUTHORIZING ORDINANCE”** and **“SUMMARY OF THE COOPERATIVE AGREEMENT – Distribution of the District Sales Tax Revenue”** in **Appendix C** hereto. The CID Sales Tax Revenues are subject to annual appropriation by the Board of Directors of the CID.

*[remainder of page intentionally left blank]*



### Projected Debt Service Coverage of the CID Sales Tax Revenues

The CID Sales Tax was initially levied at the rate of 0.5% and the CID Board of Directors has authorized increases in the tax to 0.75%, effective as of July 1, 2012, and to 1.0%, effective as of January 1, 2019. The CID Sales Tax is currently being imposed at its maximum rate. See “THE CID – CID Sales Tax” herein.

During the last five Fiscal Years, the CID Sales Tax Revenues were as follows:

<b><u>Fiscal Year</u></b>	<b><u>CID Sales Tax Collected</u></b>	<b><u>Operating Costs and Administrative Fees</u></b> <sup>(1)</sup>	<b><u>EATS Transfers</u></b> <sup>(4)</sup>	<b><u>Net CID Sales Tax Revenues</u></b>
2021 <sup>(2)</sup>	\$8,024,737	\$177,789	\$1,189,131	\$6,672,588
2020	7,783,055	180,118	1,120,052	6,482,885
2019 <sup>(3)</sup>	6,793,078	164,638	962,223	5,666,217
2018	5,973,582	132,996	824,529	5,016,057
2017	5,770,850	128,242	876,199	4,766,409

<sup>(1)</sup> Includes only CID operating costs and does not include capital costs and other costs of the Events Center facility.

<sup>(2)</sup> Fiscal Year 2021 figures are unaudited; operating costs and administrative fees for Fiscal Year 2021 are based on projected ending amounts provided in the CID’s 2021-2022 operating budget.

<sup>(3)</sup> The CID Sales Tax rate was increased from 0.75% to 1.0%, effective as of January 1, 2019.

<sup>(4)</sup> A portion of the CID Sales Tax generated within the CID is subject to capture as economic activity taxes or “EATS” by overlapping tax increment financing redevelopment areas. The various tax increment financing plans provide for such captured amounts to be applied to CID purposes, except that, with respect to the Eastland, Centerpoint and Trinity redevelopment areas, such application occurs on a basis subordinate to the payment of bond issues for such redevelopment areas or the payment of costs incurred to redevelop such areas, as described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Subordinate Lien on Certain TIF Revenues.”

The annual debt service on the Series 2016A Bonds, the Series 2021 Bonds and the Series 2022 Bonds\* is as shown below. Based on current debt service numbers, FY 2021 CID Sales Tax Revenues would provide positive debt service coverage through Fiscal Year [REDACTED] without including TIF Revenues.\*

*[remainder of page intentionally left blank]*

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\* Preliminary, subject to change.

The following table summarizes annual debt service requirements for the Series 2016A Bonds, the Series 2021 Bonds and the Series 2022 Bonds (based on projected debt service for the Series 2022 Bonds):

**Aggregate Debt Service for Series 2016A Bonds,  
Series 2021 Bonds and Series 2022 Bonds\***

Year Ending	Principal	Interest	Debt Service	DSRF Release	Net Debt Service
6/30/2022					
6/30/2023					
6/30/2024					
6/30/2025					
6/30/2026					
6/30/2027					
6/30/2028					
6/30/2029					
6/30/2030					
6/30/2031					
6/30/2032					
6/30/2033					
6/30/2034					
6/30/2035					
6/30/2036					
6/30/2037					
6/30/2038					
Total					

\* Preliminary, subject to change based on pricing of Series 2022 Bonds.

Note: Table includes debt service paid on Series 2011A and Series 2012C Bonds during Fiscal Year 2022.

The Series 2022 Bonds are the second phase of two refunding and improvement transactions planned for the benefit of the Events Center, which began with the issuance of the Series 2021 Bonds at the end of last year. The City will continue to monitor refunding opportunities for Events Center Bonds. Nothing in the Indenture or Financing Agreement requires the City to have a positive coverage of debt service. The issuance of the Additional Bonds, if any, is not subject to any parity test so long as the City secures such Additional Bonds with its annual appropriation covenant. The City may in the future issue refunding or new money bonds in a manner that increases the total debt service on Events Center Bonds.

The City will continue to evaluate revenues from the CID Sales Tax in the structuring of Additional Bonds if any are issued. However, there can be no assurance that CID Sales Tax Revenues will increase either initially or over time. See **“THE CITY’S GENERAL FUND – 2021-2022 Operating Budget,” “BONDOWNERS RISKS – Risk Factors Relating to the City’s Obligations to Make Loan Payments – General Fund Capacity,” “ – Risk Factors Relating to the Collection of CID Sales Tax and TIF Revenues – Changes in Retail Sales Market Conditions”** and **“Appendix B - COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF INDEPENDENCE, MISSOURI FOR FISCAL YEAR ENDED JUNE 30, 2021; THE CITY’S 2021-2022 OPERATING BUDGET.”**

## **THE EVENTS CENTER PROJECT**

The original Events Center improvements consisted of three basic categories of improvements, which included the Events Center, an Adjacent Ice and Practice Facility, and related Infrastructure Improvements, each as further described below. The original construction of the Events Center is complete and the facility is open and has been hosting events since November, 2009. The Events Center is located on an approximately 27-acre tract of land at the southeast quadrant of the intersection of Interstate 70 and Missouri Highway 291, as identified on the CID boundary map above. The Events Center is owned by the City.

### **Events Center**

The Events Center is capable of hosting sporting, civic and entertainment events and contains approximately 162,000 square feet of space on two levels. The Events Center has 5,800 fixed seats, 25 luxury suites and 2,000 paved parking spaces on site. The capacity of the Events Center is expanded to a maximum of 7,000 for concerts and other special events by the use of folding or stacking chairs. The seating totals also include club seats and a separate loge section which is served by lounges with bars and concessions.

The rink area is based on NHL standards of 85 feet x 200 feet, with an ice rink designed to withstand repeated quick changes from ice events to non-ice events. The facility includes administrative offices, a box office, janitorial and equipment rooms, home team and visitor locker rooms, public toilet facilities, concession areas, and a stage for concert events. There are separate rooms to accommodate the press, radio, and statisticians and to control sound and lighting equipment.

The City, as owner of the Events Center, and Independence Professional Hockey LLC (“IPH”) entered into an Amended and Restated Arena Lease dated August 13, 2009 (“Hockey Lease”), which authorizes the lessee to play a minimum of 30 regular season home games per year, plus play-off games if necessary, and to utilize the Events Center for practices, training camp, and other team related activities. The Hockey Lease was assigned to Loretto Sports Ventures, LLC, a Texas limited liability company in January of 2015, and Loretta Sports Ventures, LLC became Kansas City Mavericks, LLC, a Texas limited liability company (“KCM”) through a series of name changes. The initial term of the Hockey Lease expired on April 30, 2020. On September 27, 2018, the City and KCM executed a First Amendment to Amended and Restated Arena Lease (the “First Lease Amendment”), which extended the Hockey Lease term to an expiration date of June 30, 2024, restructured the lease payments, primarily by basing the major component of the rental rate on type of game (regular season, various playoff rounds) instead of the day of the week on which the game was played, adjusted revenue sharing calculations for concession sales and reset the fees applicable to ticket pricing.

KCM owns the Kansas City Mavericks minor league hockey team (the “Mavericks”) that is currently playing its home games at the Events Center. The Mavericks are part of the East Coast Hockey League, which is a 27-team league.

The Events Center has also been home to the Kansas City Comets (the “Comets”) of the Major Arena Soccer League (“MASL”) franchise. MASL is a professional indoor soccer league with 15 teams. The Comets use the Events Center pursuant to a license agreement that is renewable annually by the parties until the end of the 2021-2022 MASL season, provided that if the MASL league ceases to operate, the agreement is terminable by the Comets upon 30-day notice. The license agreement has been extended through the 2021-2022 season.

The Events Center also schedules various other types of events such as monster truck rallies, concerts and conventions.

## **Adjacent Ice and Practice Facility**

The Adjacent Ice and Practice Facility is under the same roof as the Events Center but is set up as a separate facility. The facility contains approximately 28,200 square feet, including a standard NHL size rink of 85 feet x 200 feet. The facility also includes its own lobby and spectator bleacher seating for approximately 270 spectators, a storage area for various hockey and figure skating gear, a skate rental area, separate concession areas, a party room, restroom facilities, and shared locker rooms with the main Events Center facility. The City's Parks and Recreation Department has an administrative office in the facility. Scoreboards and some electronic signage have been installed. The facility utilizes the same mechanical equipment and infrastructure constructed for the Events Center. The Adjacent Ice and Practice Facility is used by the public and also for practices by the Mavericks.

## **Infrastructure Improvements**

Site infrastructure improvements have been completed to accommodate the Events Center. 2,000 on-site parking spaces have been constructed and streets necessary to access the Events Center have also been completed. Other completed improvements include utilities to the site, landscaping, grading, drainage, and erosion control.

**Payment of the principal of and interest on the Series 2022 Bonds is not secured by any deed of trust, mortgage or other lien on the Events Center or any other facilities or property of the City. The City will not pledge any operating revenues from the Events Center to the payment of the Series 2022 Bonds.**

## **MANAGEMENT OF THE EVENTS CENTER PROJECT**

The City took over management of the Events Center in October 2010, from Global Entertainment Corporation, and formed the Independence Events Center Management Corporation ("IECMC"), a nonprofit corporation, to provide for the management of the Events Center. The City is the sole member of the IECMC. The board of the IECMC consists of five officers and employees of the City, which are appointed by the City. The employees that provide for the day to day operation of the Events Center are employed by the IECMC and not by the City. The Board of the IECMC hired Global Spectrum L.P. (now Spectra by Comcast Spectator, referred to herein as the "Events Center Manager") to manage the facility in 2014 pursuant to a contract that currently runs through 2034 with a five-year renewal option. The IECMC currently oversees the Events Center Manager in its management of the facility.

Expenses for the operation of the Events Center are paid with revenues generated from the Events Center. If there are operational shortfalls, the City currently intends to pay the shortfalls but has no legal obligation to do so. The anticipated source for funding any shortfalls that may occur is the City's General Fund.

During the Fiscal Year ended June 30, 2021, total revenue available with respect to the Events Center was \$10,860,279 (including operating revenue, CID Sales Tax Revenues, TIF Revenues and interest income), and the total of expenses with respect to the Events Center was \$9,732,396, inclusive of operating expenses and debt service. At the end of Fiscal Year 2021, the Events Center fund had a net position of \$(7,557,286) due to the depreciation of assets and the amount of debt carried in the form of the Events Center Bonds. See *Exhibit 6* on page 29 of the City's audited financial statements for the Fiscal Year ended June 30, 2021 which are included in **Appendix B** hereto.

The Events Center fund operates at a significant negative with debt service included as an expense, but its debt service burden is subsidized by the CID. In recent years, the CID has generated sufficient revenues to pay the debt service on the Events Center Bonds and build reserves sufficient to cover debt service on the Events Center Bonds for an entire year. The revenues collected by the CID for Fiscal Years 2020 and 2021

were sufficient to pay the expenses of the CID and the debt service on the Events Center Bonds. CID Sales Tax Revenues totaled \$6,482,885 and \$6,672,588 in Fiscal Years 2020 and 2021, respectively, versus debt service due of \$5,068,618.76 and \$5,173,843.76, respectively (unaudited). See **“THE CID – Projected Debt Service Coverage of the CID Sales Tax Revenues”** for historical collections of CID Sales Tax Revenues.

The Events Center is currently holding events such as concerts, sporting exhibitions and car shows. The return of Events Center operations is subject to the social distancing limitations within the City described in **“BONDOWNERS’ RISKS – Effects of COVID-19”** in the Official Statement.

## **THE CITY’S GENERAL FUND**

### **Introduction**

The General Fund is the City’s primary operating fund and accounts for the financial resources of the general governmental operations of the City, with the exception of those required to be accounted for in another fund. Based on the City’s 2021-2022 Operating Budget approved by the City Council, 85% of the City’s General Fund expenditures for Fiscal Year 2022 will consist of salary and benefits, 14% will consist of other operating expenses, and the remaining 1% will consist of equipment, debt service and contingency. During such period, the 2021-2022 Operating Budget anticipates that 31% of the City’s General Fund expenditures will relate to the fire department, 42% will relate to the police department, 19% will relate to general government and municipal services, and the remaining 8% will relate to community development, municipal court and non-departmental expenses. See **“APPENDIX B – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF INDEPENDENCE, MISSOURI FOR FISCAL YEAR ENDED JUNE 30, 2021; THE CITY’S 2021-2022 OPERATING BUDGET.”**

*[remainder of page intentionally left blank]*

## Summary of General Fund Revenues, Expenditures and Changes in Fund Balances

The following table sets forth a summary of the statement of revenues, expenditures, and changes in fund balances for the General Fund for Fiscal Years 2017 through 2021 based on the City's audited financial statements for such years:

	<b><u>Fiscal Year Ended June 30</u></b>				
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Revenues:					
Taxes	\$34,365,768	\$35,210,279	\$34,475,439	\$33,455,975	\$32,439,613
Licenses and permits	5,330,354	4,598,143	4,733,488	5,012,961	4,772,400
Intergovernmental	5,349,727	5,349,156	5,246,676	5,106,634	5,655,410
Charges for services	2,305,140	2,431,168	2,454,494	2,538,096	2,013,571
Interfund charges for support services	4,943,014	5,099,696	5,035,500	5,035,500	5,035,500
Fines, forfeitures, and court costs	3,855,121	3,716,388	3,913,825	2,890,421	2,152,627
Investment income	82,327	99,270	430,482	447,157	86,640
Other	911,612	879,305	822,138	1,236,303	1,319,968
Total	\$57,143,063	\$57,383,405	\$57,112,042	\$55,723,047	\$53,475,729
Expenditures:					
Administrative services	\$7,802,582	\$8,029,276	\$10,401,559 <sup>(2)</sup>	\$8,564,556	\$8,598,724
Public safety	44,963,466	46,702,810	54,253,432 <sup>(1) (2)</sup>	55,781,405	55,311,652
Public works / Municipal services	4,614,587	5,160,869	6,635,525	4,936,540	5,256,263
Health and Welfare	1,848,932	1,518,497 <sup>(1)</sup>	-	-	69,009 <sup>(1)</sup>
Culture and recreation	1,458,987	1,444,728	2,116,353 <sup>(1) (2)</sup>	1,798,035	-
Community development	4,082,292	4,438,261	5,083,553	4,797,872	3,902,963
General government	8,497,811	8,839,125 <sup>(2)</sup>	341,595 <sup>(2)</sup>	18,000 <sup>(2)</sup>	79
Capital outlay	293,748	317,369	-	-	1,192,500
Debt service	121,522	159,795	160,457	165,670	165,879
Total	\$73,683,927	\$76,610,730	\$78,992,474	\$76,062,078	\$74,497,069
Excess (deficiency) of revenues over expenditures	\$(16,540,864)	\$(19,227,325)	\$(21,880,432)	\$(20,339,031)	\$(21,021,340)
Other sources:					
Utility payments in lieu of taxes	\$18,998,671	\$20,067,531	\$20,370,728	\$19,191,559	\$19,255,236
Capital Lease Proceeds	-	-	-	-	1,192,500
Transfers in	197,063	-	-	-	808,036 <sup>(3)</sup>
Transfers out	(10,000)	(337,637)	(10,358)	(11,727)	(35,300)
Total	\$19,185,734	\$19,729,894	\$20,360,370	\$19,179,832	\$21,220,472
Net change in fund balance	\$2,644,870	\$502,569	\$(1,520,062)	\$(1,159,199)	\$199,132
Fund balance, beginning	5,653,385	8,298,255	8,800,824	7,280,762	6,121,563
Fund balance, ending	\$8,298,255	\$8,800,824	\$7,280,762	\$6,121,563	\$6,320,695

Source: City's Comprehensive Annual Financial Reports for Fiscal Years 2017 through 2021.

<sup>(1)</sup> In Fiscal Years 2019 and 2020, Health and Welfare expenditures were not recognized as a separate General Fund expenditure category in the City's audited financial statements, with such expenses being shifted to the Public Safety and the Culture and Recreation expenditure categories. Starting with Fiscal Year 2021, the Health and Welfare category will be re-established.

<sup>(2)</sup> Starting with Fiscal Year 2019, the City's audited financial statements shifted certain expenses, most notably health insurance costs, out of the General Government category and into the Administrative Services, Public Safety and Culture and Recreation categories to which such costs are allocable.

<sup>(3)</sup> Funds received by the City under the federal Coronavirus Aid, Relief, and Economic Security Act or "CARES Act."

## General Fund Balance Sheet Summary

The following table sets forth a summary of the General Fund balance sheet for Fiscal Years 2017 through 2021 based on the City's audited financial statements for such years:

	<b><u>Fiscal Year Ended June 30</u></b>				
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<b>Assets:</b>					
Pooled cash and investments	\$6,374,817	\$6,884,375	\$6,170,710	\$2,062,198 <sup>(1)</sup>	\$2,813,040 <sup>(2)</sup>
<b>Receivables:</b>					
Taxes	12,046,236	13,309,913	12,481,216	12,134,680	10,099,945 <sup>(2)</sup>
Accounts, net	173,542	114,244	296,452	138,707	106,489
Special assessment principal	642,387	640,514	548,352	672,580	580,435
Accrued interest	14,551	13,054	27,107	24,961	17,129
Due from other funds	1,139,658	1,318,880	2,217,188	4,347,984 <sup>(1)</sup>	2,054,491
Due from other governments	737,347	807,589	795,421	816,026	968,651
Prepaid Items	-	-	-	-	19,755
Restricted cash and investments	226,530	267,354	279,515	244,915	202,166
<b>Total Assets</b>	<b>\$21,355,068</b>	<b>\$23,355,923</b>	<b>\$22,815,961</b>	<b>\$20,442,051</b>	<b>\$16,862,101</b>
<b>Liabilities:</b>					
Accounts and contracts payable	\$447,299	\$520,846	\$706,828	\$271,804	\$266,024
Due to other funds	-	-	222,000	165,750	-
Due to other governments	-	-	-	155,367	-
Accrued items	2,808,738	3,041,222	4,598,439	3,296,793	2,332,060
Other current liabilities	591,919	889,679	711,132	889,705	1,018,650
Unearned revenue	117,882	-	-	-	-
Liabilities payable from restricted assets:					
Deposits and court bonds	226,530	267,354	279,516	244,915	202,166
<b>Total Liabilities</b>	<b>\$4,192,368</b>	<b>\$4,719,101</b>	<b>\$6,517,915</b>	<b>\$5,024,334</b>	<b>\$3,818,900</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable - special assessments	\$642,387	\$640,514	\$550,711	\$677,914	\$580,435
Unavailable - real estate taxes	8,222,058	9,195,484	8,466,573	8,618,240	6,142,071
<b>Total Deferred Inflows</b>	<b>\$8,864,445</b>	<b>\$9,835,998</b>	<b>\$9,017,284</b>	<b>\$9,296,154</b>	<b>\$6,722,506</b>
<b>Total liabilities and deferred inflows</b>	<b>\$13,056,813</b>	<b>\$14,555,099</b>	<b>\$15,535,199</b>	<b>\$14,320,488</b>	<b>\$10,541,406</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	\$19,755
Restricted	\$404,806	\$395,412	\$84,386	\$78,022	118,750
Committed	261,700	106,884	30,762	18,105	16,373
Assigned	1,648,808	1,268,521	574,172	723,920	465,453
Unassigned	5,982,941	7,030,007	6,591,442	5,301,516	5,700,364
<b>Total</b>	<b>\$8,298,255</b>	<b>\$8,800,824</b>	<b>\$7,280,762</b>	<b>\$6,121,563</b>	<b>\$6,320,695</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$21,355,068</b>	<b>\$23,355,923</b>	<b>\$22,815,961</b>	<b>\$20,442,051</b>	<b>\$16,862,101</b>

Source: City's Comprehensive Annual Financial Reports for Fiscal Years 2017 through 2021.

<sup>(1)</sup> As a mechanism of balancing funds showing negative balances at fiscal year end, the City credited an additional \$2,130,796 of General Fund pooled cash and investments to other special funds of the City and recorded such amounts as "due from other funds" to the General Fund. The funds borrowing the largest amounts from the General Fund balance during Fiscal Year 2020 were the City's workers' compensation fund and enterprise resource planning fund.

(2) The reduction in taxes receivable from Fiscal Year 2020 to Fiscal Year 2021 is the result of the City's health property tax levy and parks property tax levy being treated as separate funds and no longer a part of the General Fund (effective July 1, 2020). The receivable amounts at June 30, 2021 that are now allocated to such separate funds are \$909,176 for the health levy and \$1,932,000 for the parks levy. Accounting for the health property tax levy and parks property tax levy as separate funds reduced the pooled cash and investments reported for the General Fund.

## **2021-2022 Operating Budget**

The City's budget for the 2021-2022 Fiscal Year (the "2021-2022 Operating Budget") presents a balanced budget for the General Fund, with General Fund revenues of \$78,362,743 and an equal amount of expenses, resulting in no anticipated change to the ending unrestricted General Fund balance from estimated balance at the end of Fiscal Year 2021. The General Fund expenses represent an increase of 5.3% over the prior year operating budget (the "2020-2021 Operating Budget"), a difference attributed primarily by the City Manager's transmittal letter that accompanied the 2021-2022 Operating Budget (the "City Manager's Budget Letter") to increases in salary and benefit costs of City employees. The City Manager's Budget Letter explains that the increased General Fund expenditures will be covered by amounts made available to the City under the American Rescue Plan. The City Manager's Budget Letter cautions City Council that American Rescue Plan funds will not be available in future years.

As a part of the City Manager's Budget Letter, the City Manager included, for the first time, a projection of the City's ending unrestricted General Fund balances for Fiscal Year 2021 through Fiscal Year 2026. This projection was included as a long-term planning tool and not for the purpose of adoption as part of the 2021-2022 Operating Budget. The projection shows an unrestricted General Fund balance that starts at \$5,812,237 for Fiscal Year 2021, remains at that level for Fiscal Year 2022, and then declines over the next four fiscal years, going negative in Fiscal Year 2024 and ultimately reaching a negative \$19,984,512 balance at the end of Fiscal Year 2026. The City Manager's Budget Letter describes measures that will need to be considered during Fiscal Year 2022 to align revenues with expenditures before the start of Fiscal Year 2023, including restructuring of employee health benefits, vested leave payouts and other employee benefit programs; implementation of workforce reductions; evaluation of demand for City services in order to match deployment to demand, attraction of additional industry and evaluating ballot initiatives to increase revenue sources. **[\*\*HAVE ANY OF THESE MEASURES BEEN ADOPTED?\*\*]**

The City's charter provides that the total of proposed expenditures in any adopted budget for a particular fund may not exceed the total anticipated resources for the fund. This means that expenditures cannot exceed current revenues, fund balances on hand from prior years, legally allowable transfers from other funds, and loan proceeds. As such, the City Council would not be able to approve budgets in future years in line with the projections for unrestricted General Fund balances shown in the City Manager's Budget Letter, but, as the City Manager's Budget Letter suggests, the City will need to explore options to increase revenues and/or reduce expenses in future fiscal years.

The City has been successful in strategically reducing General Fund expenses when faced with insufficient revenues. In the 2020-2021 Operating Budget, when the City anticipated significant sales tax revenue reductions for the end of Fiscal Year 2020 and for Fiscal Year 2021, the City was able to identify \$4,295,254 in expenditure reductions consisting of elimination of vacant and filled employee positions, hiring and wage freezes, program budget reductions, cost allocation changes and transit service reductions. Due to such expenditure reductions and other factors, Fiscal Year 2021 ended with a surplus of revenues over expenditures for the General Fund of \$199,132, although this was partially the result of \$1,192,500 in capital lease proceeds being recognized as revenues for the General Fund.

In the City Manager's presentation to City Council of the 2021-2022 Operating Budget on May 10, 2021, he stated that the budget employed a conservative approach in which all City positions are fully funded. The 2021-2022 Operating Budget assumes employment with full benefits for all currently unfilled positions with average employment duration of 75% of Fiscal Year 2022. **The City currently has approximately 60 General Fund supported employment positions which are not filled.** City staff evaluates filling employment positions on an individual basis, with consideration given to whether revenues are sufficient to support the



position at the time of hiring. The approval of the 2021-2022 Operating Budget by the City Council does not mean that the vacant positions will be filled, but rather the City has the ability to continue to manage the number of filled employment positions as a means to control expenditures. During Fiscal Year 2021, as a result of implementing the hiring freezes discussed above with respect to the 2020-2021 Operating Budget, the City maintained an average of approximately 59 open positions that would otherwise have been funded by the General Fund.

The City has engaged CBIZ, Inc. consultants to make cost-saving recommendations relating to employee benefit packages including health benefits, vested leave payouts and other employee benefit programs. The City Manager's office has begun working with the Stay Well Committee for employee health (an advisory committee representing union employees of the City) with the intent of redesigning such benefits in accordance with recommendations provided by CBIZ, Inc. The City Manger's goal is to have a plan in place in calendar year 2021 that will implement design changes over the next two years. **[\*\*DID THIS HAPPEN?\*\*]**

For additional discussion of the City's General Fund see **"APPENDIX B – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF INDEPENDENCE, MISSOURI FOR FISCAL YEAR ENDED JUNE 30, 2021; THE CITY'S 2021-2022 OPERATING BUDGET."**

### **Impact of Shortfalls on the General Fund**

The City is obligated to pay debt service with respect to numerous borrowings and other obligations on an annual appropriation basis. See **"FINANCIAL INFORMATION CONCERNING THE CITY – Obligations of the City – Revenue Obligations," "– Obligations of the City – Capital Leases," "– Santa Fe Redevelopment Project," "– The Falls at Crackerneck Creek Redevelopment Project,"** and **"– The City's Tax Increment Financing Supplemental Appropriation Policy"** in Appendix A hereto for a discussion of other annual appropriation obligations of the City. Although repayment of certain borrowings is limited to appropriations from revenues of the City's electric, sewer or water utilities, most of the City's obligations are ultimately backed by a pledge to annually appropriate from any available source, including the General Fund. Shortfalls in project revenues, utility generated revenues or other revenues anticipated to make payments with respect to certain series of outstanding bonds may negatively affect the City Council's decision to make appropriations with respect to the Events Center Bonds, including the Series 2022 Bonds, to the extent that CID Sales Tax Revenues and TIF Revenues are insufficient to pay debt service on all Events Center Bonds.

There is no guarantee that the City will not experience shortfalls in revenue available to pay debt service on any particular series of bonds for which it has an annual appropriation obligation. Any such shortfall could affect the City's willingness to appropriate General Fund and other available revenues to Loan Payments in an amount sufficient to pay the debt service on the Series 2022 Bonds.

## **THE SERIES 2022 BONDS**

### **General Terms**

The Series 2022 Bonds are being issued in the principal amount shown on the cover page, are dated the date of issuance and delivery thereof, will bear interest from the date thereof or from the most recent interest payment date to which interest has been paid at the rates per annum set forth on the inside cover page, payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2022, and will mature on April 1 in the years as set forth on the inside cover page. The Series 2022 Bonds are issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The principal of the Series 2022 Bonds is payable at the principal corporate trust office of the Trustee. The interest on the Series 2022 Bonds is payable (a) by check or draft mailed by the Trustee to the persons who are the registered owners of the Series 2022 Bonds as of the close of business on the 15th day of the month preceding the respective

interest payment dates, as shown on the bond registration books maintained by the Trustee, or (b) at the expense of the registered owner, by electronic transfer of immediately available funds at the written request of any registered owner of \$500,000 or more in aggregate principal amount of Series 2022 Bonds, if such written notice specifying the electronic transfer instructions is provided to the Trustee not less than 5 days prior to the Interest Payment Date. Purchases of the Series 2022 Bonds will be made in book-entry only form (as described immediately below), in the denomination of \$5,000 or any integral multiple thereof. Purchasers of the Series 2022 Bonds will not receive certificates representing their interests in the Series 2022 Bonds purchased. If the specified date for any payment on the Series 2022 Bonds is a date other than a Business Day, such payment may be made on the next Business Day without additional interest and with the same force and effect as if made on the specified date for such payments.

### **Book-Entry Only System**

**General.** The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2022 Bonds, the Beneficial Owners of the Series 2022 Bonds will not receive or have the right to receive physical delivery of the Series 2022 Bonds, and references herein to the Bondowners or registered owners of the Series 2022 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2022 Bonds.

**DTC and its Participants.** DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The information on such website is not incorporated herein by such reference or otherwise.

**Purchase of Ownership Interests.** Purchases of Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of

ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

**Transfers.** To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

**Notices.** Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

**Voting.** Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

**Payments of Principal and Interest.** Redemption proceeds, distributions, and dividend payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**Discontinuation of Book Entry System.** DTC may discontinue providing its services as depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the Board or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board, the City, the CID and the Underwriter believe to be reliable, but the Board, the City, the CID and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participant, as the case may be.*

## **Redemption\***

The Series 2022 Bonds are subject to redemption and payment prior to maturity as follows:

**Optional Redemption.** The Series 2022 Bonds are subject to redemption and payment prior to maturity, at the option of the Board, which shall be exercised upon written direction from the City, on and after April 1, 20\_\_, in whole or in part at any time at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the redemption date.

**Mandatory Sinking Fund Redemption.** The Series 2022 Bonds maturing on April 1, 20\_\_ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture on each April 1 on the dates and in the amounts set forth below, at 100% of the principal amount thereof plus accrued interest to the redemption date, without premium:

<u>Due</u>	<u>Principal Amount</u>
------------	-----------------------------

\_\_\_\_\_  
\*Final Maturity

The Series 2022 Bonds maturing on April 1, 20\_\_ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture on each April 1 on the dates and in the amounts set forth below, at 100% of the principal amount thereof plus accrued interest to the redemption date, without premium:

<u>Due</u>	<u>Principal Amount</u>
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\_\_\_\_\_  
\*Final Maturity

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\* Preliminary, subject to change.

The Trustee shall, in each year in which the Series 2022 Bonds are to be redeemed pursuant to the terms of the mandatory sinking fund requirements of the Indenture summarized above make timely selection of such bonds or portions thereof to be so redeemed in \$5,000 units of principal amount by lot or in such other equitable manner as the Trustee may determine and shall give notice thereof without further instructions from the Board or the City. At the option of the City, to be exercised on or before the 45th day next preceding each mandatory redemption date, the City shall: (1) deliver to the Trustee for cancellation Bonds of the same maturity in the aggregate principal amount desired; or (2) furnish to the Trustee funds, together with appropriate instructions, for the purpose of purchasing any of said Bonds of the same maturity from any owner thereof in the open market at a price not in excess of 100% of the principal amount thereof, whereupon the Trustee shall use its best efforts to expend such funds for such purposes to such extent as may be practical; or (3) elect to receive a credit in respect to the mandatory redemption obligation under this subsection for any Bonds of the same maturity which prior to such date have been redeemed (other than through the operation of the requirements of this subsection) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation under this subsection. Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Board to redeem Bonds of the same maturity on the next mandatory redemption date that is at least 45 days after receipt by the Trustee of such instructions from the City any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same maturity in chronological order or such other order as the City may designate, and the principal amount of Series 2022 Bonds of the same maturity to be redeemed on such future mandatory redemption dates by operation of the requirements of this paragraph shall be reduced accordingly. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) of this paragraph, the City will, on or before the 45th day next preceding the applicable mandatory redemption date, furnish the Trustee an Officer's Certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, and the Series 2022 Bonds of the same maturity, in the case of its election pursuant to clause (1), in respect to such mandatory redemption payment.

***Election to Redeem; Notice to Trustee.*** The Board shall elect to redeem Bonds subject to optional redemption upon receipt of a written direction of the City. In case of any redemption at the election of the Board, the Board shall, at least 45 days prior to the redemption date fixed by the Board (unless a shorter notice shall be satisfactory to the Trustee) give written notice to the Trustee directing the Trustee to call Bonds for redemption and give notice of redemption and specifying the redemption date, the principal amount and maturities of Series 2022 Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of the Indenture pursuant to which such bonds are to be called for redemption.

The foregoing paragraph shall not apply in the case of any mandatory redemption of Series 2022 Bonds and the Trustee shall call Bonds for redemption and shall give notice of redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Board or the City whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

***Notice of Redemption.*** Unless waived by any owner of Series 2022 Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the Board by mailing a copy of an official redemption notice by first class mail, at least 30 days and not more than 60 days prior to the redemption date to each registered owner of the Series 2022 Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such registered owner to the Trustee.

All official notices of redemption shall be dated and shall state: (1) the redemption date; (2) the redemption price; (3) the principal amount of Series 2022 Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (5) the place where the Series 2022 Bonds to be redeemed are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee or other Paying Agent.

The failure of any owner of Series 2022 Bonds to receive notice given as provided herein, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

For so long as DTC is effecting book-entry transfers of the Series 2022 Bonds, the Trustee shall provide the notices specified in this Section to DTC. It is expected that DTC will, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Trustee, DTC, a Participant or otherwise) to notify the beneficial owner of the Series 2022 Bond so affected, shall not affect the validity of the redemption of such bond.

***Selection by Trustee of Bonds to be Redeemed.*** Bonds may be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. If less than all Bonds are to be redeemed and paid prior to maturity pursuant to the Indenture, the particular Bonds to be redeemed shall be selected by the Trustee from the Series 2022 Bonds of such maturity which have not previously been called for redemption, by lot or in such other equitable manner as the Trustee may determine and which may provide for the selection for redemption of portions equal to \$5,000 of the principal of Series 2022 Bonds of a denomination larger than \$5,000.

The Trustee shall promptly notify the Board and the City in writing of the Series 2022 Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

***Deposit of Redemption Price.*** Prior to any redemption date, the Board shall deposit with the Trustee or with a Paying Agent, from moneys provided by the City, an amount of money sufficient to pay the redemption price of all the Series 2022 Bonds which are to be redeemed on that date. Such money shall be held in trust for the benefit of the Persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

***Bonds Payable on Redemption Date.*** Notice of redemption having been given as aforesaid, the Series 2022 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Board shall default in the payment of the redemption price) such bonds shall cease to bear interest. Upon surrender of any such bond for redemption in accordance with said notice, such bond shall be paid by the Board at the redemption price. Installments of interest with a due date on or prior to the redemption date shall be payable to the owners of the Series 2022 Bonds registered as such on the relevant Record Dates according to the terms of such bonds.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the rate prescribed therefor in the Bond.

***Bonds Redeemed in Part.*** Any Bond which is to be redeemed only in part shall be surrendered at the place of payment therefor (with, if the Board or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Board and the Trustee duly executed by, the owner thereof or his attorney or legal representative duly authorized in writing) and the Board shall execute and the Trustee shall authenticate and deliver to the owner of such bond, without service charge, a new Bond or Bonds of the same series and maturity of any authorized denomination or denominations as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2022 Bond so surrendered. If the owner of any such bond shall fail to present such bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 (or other denomination) unit or units of principal amount called for redemption (and to that extent only).

Subject to the approval of the Trustee, in lieu of surrender under the preceding paragraph, payment of the redemption price of a portion of any Bond may be made directly to the registered owner thereof without surrender thereof, if there shall have been filed with the Trustee a written agreement of such owner and, if such owner is a nominee, the Person for whom such owner is a nominee, that payment shall be so made and that such owner will not sell, transfer or otherwise dispose of such bond unless prior to delivery thereof such owner shall present such bond to the Trustee for notation thereon of the portion of the principal thereof redeemed or shall surrender such bond in exchange for a new Bond or Bonds for the unredeemed balance of the principal of the surrendered Bond.

So long as DTC is effecting book-entry transfers of the Series 2022 Bonds, the Trustee shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Trustee, a DTC Participant or otherwise) to notify the Beneficial Owner of the Series 2022 Bond so affected, shall not affect the validity of the redemption of such bond.

### **Transfer Outside Book-Entry Only System**

If the book-entry only system is discontinued, the following provisions would apply. The Series 2022 Bonds are transferable only upon the registration books of the Trustee upon surrender of the Series 2022 Bonds duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney or legal representative in a form satisfactory to the Trustee. Bonds may be exchanged for other Bonds of any denomination authorized by the Indenture in the same aggregate principal amount, series and maturity, upon presentation to the Trustee, subject to the terms, conditions and limitations set forth in the Indenture. The Trustee may make a charge for every such transfer or exchange sufficient to reimburse the Trustee for any tax or other governmental charge required to be paid with respect to any such exchange or transfer.

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Series 2022 Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS**

### **General**

The Series 2022 Bonds will be issued under and will be equally and ratably secured under the Indenture which will assign and pledge to the Trustee (1) certain rights of the Board under the Financing Agreement, including the right to receive Loan Payments and Additional Payments with respect to such bonds thereunder, and (2) the funds and accounts, including the money and investments in them, which the Trustee holds under the terms of the Indenture.

### **Special, Limited Obligations**

The Series 2022 Bonds and the interest thereon are special, limited obligations of the Board, payable solely from certain payments to be made by the City under the Financing Agreement and certain other funds held by the Trustee under the Indenture and not from any other fund or source of the Board, and are secured under the Indenture and the Financing Agreement as described herein. All Loan Payments and Additional Payments by the City under the Financing Agreement are subject to annual appropriation by the City except CID Sales Tax Revenues which have been received from the CID.

As more fully described herein, the City's obligation to make Loan Payments under the Financing Agreement will be secured by CID Sales Tax Revenues and TIF Revenues. The CID Sales Tax Revenues are subject to annual appropriation by the CID. The TIF Revenues are subject to annual appropriation by the City and are only available on a subordinate basis. Revenues from the operation of the Events Center will not be available to the City for the payment of the Series 2022 Bonds.

The Series 2022 Bonds are not an indebtedness of the Board, the City, the CID, the State or any other political subdivision thereof within the meaning of any provision of the constitution or laws of the State. Neither the full faith and credit nor the taxing powers of the City, the CID, the State or any other political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2022 Bonds. The issuance of the Series 2022 Bonds shall not, directly, indirectly or contingently, obligate the city, the CID, the State or any other political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment, except as otherwise described herein. The Board has no taxing power.

**Prospective investors should not rely upon the City's collection of TIF Revenues as a significant source of repayment of the Series 2022 Bonds, but should instead evaluate the likelihood that sufficient revenues will be available from the CID Sales Tax Revenues to repay the Series 2022 Bonds and, if the CID Sales Tax Revenues are insufficient for that purpose, that the City will continue to appropriate moneys sufficient to make Loan Payments under the Financing Agreement.**

### **The Financing Agreement**

Under the Financing Agreement the City is required to make Loan Payments to the Trustee for deposit into the Debt Service Fund in amounts sufficient to pay the principal of and interest on the Series 2022 Bonds when due. The City's obligations to pay the Loan Payments and Additional Payments shall be limited, special obligations of the City payable solely from, subject to annual appropriation by the City as described herein, General Fund and other available revenues of the City. The taxing power of the City is not pledged to the payment of Loan Payments either as to principal or interest.

### **City Annual Appropriation Obligation**

The Financing Agreement contains the following provisions with respect to the City's annual appropriation obligation:

**Annual Appropriation.** The City intends, on or before the last day of each Fiscal Year, to budget and appropriate moneys sufficient to pay all Loan Payments and reasonably estimated Additional Payments for the next succeeding Fiscal Year. The City shall deliver written notice to the Trustee no later than 15 days after the commencement of its Fiscal Year stating whether or not the City Council has appropriated funds sufficient for the purpose of paying the Loan Payments and Additional Payments reasonably estimated to become due during such Fiscal Year. If the City Council shall have made the appropriation necessary to pay the Loan Payments and reasonably estimated Additional Payments to become due during such Fiscal Year, the failure of the City to deliver the foregoing notice on or before the 15<sup>th</sup> day after the commencement of its Fiscal Year shall not constitute an Event of Nonappropriation and, on failure to receive such notice 15 days after the commencement of the City's Fiscal Year, the Trustee shall make independent inquiry of the fact of whether or not such appropriation has been made. If the City Council shall not have made the appropriation necessary to pay the Loan Payments and Additional Payments reasonably estimated to become due during such succeeding Fiscal Year, the failure of the City to deliver the foregoing notice on or before the 15<sup>th</sup> day after the commencement of its Fiscal Year shall constitute an Event of Nonappropriation.

**Annual Budget Request.** The City Manager or other officer of the City at any time charged with the responsibility of formulating budget proposals shall include in the budget proposals submitted to the City Council, in each Fiscal Year in which the Financing Agreement shall be in effect, an appropriation for all payments required for the ensuing Fiscal Year; it being the intention of the City that the decision to appropriate or not to appropriate under the Financing Agreement shall be made solely by the City Council and not by any



other official of the City. The City intends, subject to the provisions above respecting the failure of the City to budget or appropriate funds to make Loan Payments and Additional Payments, to pay the Loan Payments and Additional Payments under the Financing Agreement. The City reasonably believes that legally available funds in an amount sufficient to make all Loan Payments and Additional Payments during each Fiscal Year can be obtained. The City further intends to do all things lawfully within its power to obtain and maintain funds from which the Loan Payments and Additional Payments may be made, including making provision for such Loan Payments and Additional Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the City and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. The City's Director of Finance and Administration is directed to do all things lawfully within his or her power to obtain and maintain funds from which the Loan Payments and Additional Payments may be paid, including making provision for such Loan Payments and Additional Payments to the extent necessary in each proposed annual budget submitted for approval or by supplemental appropriation in accordance with applicable procedures of the City and to exhaust all available reviews and appeals in the event such portion of the budget or supplemental appropriation is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds is to be made in accordance with the City's normal procedures for such decisions.

***Loan Payments to Constitute Current Expenses of the City.*** The Board and the City acknowledge and agree that the Loan Payments and Additional Payments under the Financing Agreement shall constitute currently budgeted expenditures of the City, and shall not in any way be construed or interpreted as creating a liability or a general obligation or debt of the City in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City, nor shall anything contained in the Financing Agreement constitute a pledge of the general credit, tax revenues, funds or moneys of the City. The City's obligations to pay Loan Payments and Additional Payments under the Financing Agreement shall be from year to year only, and shall not constitute a mandatory payment obligation of the City in any ensuing Fiscal Year beyond the then current Fiscal Year. Neither the Financing Agreement nor the issuance of the Series 2022 Bonds shall directly or indirectly obligate the City to levy or pledge any form of taxation or make any appropriation or make any payments beyond those appropriated for the City's then current Fiscal Year, but in each Fiscal Year Loan Payments and Additional Payments shall be payable solely from the amounts budgeted or appropriated therefor out of the income and revenue provided for such year, plus any unencumbered balances from previous years; provided, however, that nothing in the Financing Agreement shall be construed to limit the rights of the owners of the Series 2022 Bonds or the Trustee to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture. Failure of the City to budget and appropriate said moneys on or before the last day of any Fiscal Year shall be deemed an Event of Nonappropriation.

### **CID Sales Tax Revenues**

In the Cooperative Agreement, the CID has covenanted, subject to annual appropriation by the Board of Directors of the CID, to remit moneys it receives from the CID Sales Tax to the City. The City has covenanted under the Financing Agreement to use CID Sales Tax Revenues for payment of the Events Center Bonds and anticipates that a similar covenant would be contained in any supplemental financing agreement entered into in connection with any Additional Bonds issued on a parity with the Series 2022 Bonds. CID Sales Tax Revenues consist of revenues received by the City from the CID Sales Tax, less (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (ii) such amount as is retained by the State of Missouri for collecting the CID Sales Tax, (iii) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (iv) an administration fee payable to the City for administering and accounting for the CID Sales Tax in the amount of 2% of the total CID Sales Tax, plus any actual costs and expenses incurred by the City greater than such 2% amount, (v) a one-time payment to the City of \$1,200 to reimburse the City for administrative set-up costs and expenses of the CID, (vi) actual, reasonable operating costs of the CID, and (vii) any costs and expenses incurred in connection with any collection or enforcement issues associated with the CID Sales Tax in which the City may participate with or at the direction of the Missouri Department of Revenue. In addition to the 2% administration and accounting expenses, the City estimates that CID operating costs (e.g. such things

as insurance, legal, auditing and banking costs) will be approximately \$25,000 per year. The CID also budgets for contractual and capital improvement expenses for the benefit of the Events Center. Such expenses are generally budgeted from the existing unallocated fund balance of the CID and historically have ranged in amounts up to \$3.4 million. The City anticipates that such amounts could increase in the future as the facility ages and additional capital and maintenance costs are necessarily incurred to keep the facility operating at its current level.

Pursuant to the Authorizing Ordinance, the City will use the CID Sales Tax Revenues to make principal and interest payments on the Series 2022 Bonds. The City may use CID Sales Tax Revenues which are in excess of the amounts necessary for the payment of debt service on Events Center Bonds for the purpose of paying costs of public improvements and services in the CID. See **“SUMMARY OF THE AUTHORIZING ORDINANCE”** and **“SUMMARY OF THE COOPERATIVE AGREEMENT – Distribution of the District Sales Tax Revenue”** in **Appendix C** hereto. The CID Sales Tax Revenues are subject to annual appropriation by the Board of Directors of the CID.

### **Subordinate Lien on Certain TIF Revenues**

The City’s obligation to make Loan Payments with respect to the Series 2022 Bonds will be secured by a subordinate lien on certain TIF Revenues, which are subject to annual appropriation by the City. The TIF Revenues are economic activity taxes equal to 50% of the CID Sales Tax collected within three existing tax increment financing (“TIF”) redevelopment areas in the City, which are commonly known as the Eastland, Centerpoint and Trinity Redevelopment Areas, and not from any other revenues generated as a result of tax increment financing in those redevelopment areas. The City has completed amendments to the Eastland, Centerpoint and Trinity tax increment financing plans to add the Events Center project as an eligible project cost, but to limit the funding of such costs to an amount equal to 50% of the CID Sales Tax captured as economic activity taxes or “EATS” under TIF, and then only on a subordinate basis as described herein during the time that other project costs and bonds issued to fund those costs remain unpaid. The City has previously pledged the TIF Revenues generated by the Eastland and Centerpoint redevelopment areas to repayment of bonds issued by the Board, and may in the future request the Board to issue additional bonds payable on a parity with already outstanding Bonds. With respect to the Trinity redevelopment area, the City has previously committed TIF Revenues to payment of various project costs of the City, the developer for the Trinity project and to other taxing districts. The redevelopment agreements related to the Eastland and Centerpoint projects also contain commitments for the payment of project costs related to these projects.

The TIF Revenues may be required to be used to pay bonds which have already been issued or may be issued in the future, or may be needed to reimburse the applicable developers, various taxing districts or the City for redevelopment costs not associated with the Events Center. There is no limit on the amount of additional bonds the City may issue from such TIF Revenues. For these reasons, **prospective investors should not rely upon the City’s collection of TIF Revenues as a significant source of repayment of the Series 2022 Bonds, but should instead evaluate the likelihood that sufficient revenues will be available from the CID Sales Tax Revenues to repay the Series 2022 Bonds and, if the CID Sales Tax Revenues are insufficient for that purpose, that the City will continue to appropriate moneys sufficient to make Loan Payments under the Financing Agreement.**

### **No Debt Service Reserve Fund**

No debt service reserve fund will be established to secure the Series 2022 Bonds. Amounts held in debt service reserve funds established for other Events Center Bonds will not secure the Series 2022 Bonds.

### **The Indenture**

Under the Indenture, the Board will pledge and assign to the Trustee, for the benefit of the owners of the Series 2022 Bonds, all of its rights under the Financing Agreement, including all Loan Payments, Additional Payments and other amounts payable under the Financing Agreement (except for certain fees,

expenses and advances and any indemnity payments payable to the Board) as security for the payment of the principal of and interest on the Series 2022 Bonds. See “**SUMMARY OF THE INDENTURE**” in **Appendix C** hereto.

### **Additional Bonds**

The Board from time to time may, in its sole discretion, at the written request of the City, authorize the issuance of Additional Bonds on a parity with the Events Center Bonds for the purposes and upon the terms and conditions provided in the related Indenture; provided that (1) the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds thereof are to be disbursed shall have been approved by resolutions adopted by the Board and the City; (2) the Board and the City shall have entered into a Supplemental Financing Agreement to acknowledge that Loan Payments are revised to the extent necessary to provide for the payment of the principal of, redemption premium, if any, and interest on the Additional Bonds and to extend the term of the related Financing Agreement if the maturity of any of the Additional Bonds would otherwise occur after the expiration of the term of the related Financing Agreement; and (3) the Board and the City shall have otherwise complied with the provisions of the related Financing Agreement and the related Indenture with respect to the issuance of such Additional Bonds.

Any Additional Bonds would be secured on a parity with the Events Center Bonds (except that any debt service reserve fund established for a series of bonds secures only that series of bonds and no debt service reserve fund will be established for the Series 2022 Bonds), and therefore would share an equal claim on the CID Sales Tax Revenues and TIF Revenues. The City will continue to monitor refunding opportunities for Events Center Bonds. Nothing in the Indenture or Financing Agreement requires the City to have a positive coverage of debt service. The City may in the future issue refunding or new money bonds in a manner that increases the total debt service on Events Center Bonds.

The sole economic test for the issuance of Additional Bonds on a parity with the Events Center Bonds is whether the City is willing to commit its annual appropriation obligation to the repayment of the Loan Payments with respect to such Additional Bonds. This means that the City may issue or cause to be issued Additional Bonds on a parity with the Events Center Bonds even if the CID Sales Tax Revenues and TIF Revenues are not sufficient to provide for the Loan Payments on such bonds, without regard to the proposed Additional Bonds. **For this reason prospective investors should not rely upon the CID Sales Tax Revenues and TIF Revenues as the sole source of repayment of the Series 2022 Bonds, but should instead evaluate the likelihood that the City will continue to appropriate moneys sufficient to make Loan Payments under the Financing Agreement.**

### **BONDOWNERS’ RISKS**

*The following is a discussion of certain risks that could affect payments to be made by the City with respect to the Series 2022 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2022 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in **Appendix C**, copies of which are available as described herein.*

### **General**

The Series 2022 Bonds are limited obligations of the Board payable by the Board solely from payments to be made by the City pursuant to the Financing Agreement and from certain other funds held by the Trustee under the Indenture. No representation or assurance can be given that the City will realize revenues in amounts sufficient to make such payments under the Financing Agreement.

**PROSPECTIVE INVESTORS SHOULD NOT RELY UPON THE CID SALES TAX REVENUES AND TIF REVENUES AS THE SOLE SOURCE OF REPAYMENT OF THE SERIES 2022 BONDS, BUT SHOULD INSTEAD EVALUATE THE LIKELIHOOD THAT THE CITY WILL CONTINUE TO APPROPRIATE MONEYS SUFFICIENT TO MAKE LOAN PAYMENTS UNDER THE FINANCING AGREEMENT.**

#### **Risk Factors Relating to the City's Obligations to Make Loan Payments**

**General.** All payments by the City under the Financing Agreement are subject to annual appropriation except that CID Sales Tax Revenues which have been appropriated by the CID are not subject to annual appropriation by the City.

**Risk of Non-Appropriation.** The City's obligation to make Loan Payments under the Financing Agreement is subject to annual appropriation. Although the City has covenanted to request annually that the appropriation of the Loan Payments be included in the budget submitted to the City Council for each fiscal year, there can be no assurance that such appropriation will be made, and the City is not legally obligated to do so.

In addition, while the City has covenanted to use the CID Sales Tax Revenues to make payments of principal and interest on the Series 2022 Bonds, the availability of such revenues is subject to annual appropriation by the Board of Directors of the CID.

**General Fund Capacity.** The City may need to utilize balances in the City's General Fund in addition to the CID Sales Tax Revenues and the TIF Revenues to make payments on the Events Center Bonds in future fiscal years. See **"THE CITY'S GENERAL FUND – Summary of General Fund Revenues, Expenditures and Changes in Fund Balances,"** **"– General Fund Balance Sheet Summary,"** and **"– 2021-2022 Operating Budget"** for a discussion of General Fund revenues, expenses and ending fund balances for Fiscal Year 2021 and budgeted amounts for Fiscal Year 2022 based on the City's 2021-2022 Operating Budget. Also see **"Appendix B - COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF INDEPENDENCE, MISSOURI FOR FISCAL YEAR ENDED JUNE 30, 2021; THE CITY'S 2021-2022 OPERATING BUDGET."**

**General Fund Expenses.** For the fiscal year ending June 30, 2022, approximately 85% of the City's General Fund expenditures are expected to be spent for City personnel costs – salaries, wages and benefits. As noted above under the heading **"THE CITY'S GENERAL FUND – Impact of Shortfalls on the General Fund,"** the City is obligated to pay debt service with respect to numerous borrowings and other obligations on an annual appropriation basis. Appropriations from the General Fund to pay debt service on annual appropriation obligations in some years may require the consideration and implementation of expenditure reductions, including reductions to salaries, wages and benefits. Such reductions could be very difficult to implement and may impact the City's decision of whether to continue to support the payment of debt service on certain or all of its outstanding annual appropriation obligations by appropriating revenues from its General Fund and other legally available funds. The Events Center Bonds, including the Series 2022 Bonds, have no greater equal claim to General Fund revenues than any of the City's other annual appropriation obligations.

A significant portion of the City's General Fund expenditures for salaries, wages and benefits are related to contributions to a defined benefit pension plan known as LAGERS and to "Other Post-Employment Benefits" or "OPEB". Audited numbers for Fiscal Year 2021 are contained in **Appendix B**. In addition, **Appendix B** presents multi-year trend information as of June 30, 2021, showing whether the actuarial value of defined benefit pension plans assets is increasing or decreasing over time relative to the actuarial accrued liability and also includes information concerning the historical trends of OPEB. Both the contribution to LAGERS and the projected OPEB costs are based upon actuarial reports that include certain key assumptions. The most recent actuarial report received by the City relating to the City's contribution to LAGERS is attached hereto as **Appendix E**. The most recent actuarial report received by the City relating to the projected OPEB liability is attached hereto as **Appendix F**. The City's total contributions to LAGERS and to OPEB for Fiscal

Year 2021 were \$14,363,011 and \$7,591,000, respectively. Prospective investors should evaluate whether the assumptions used in such reports are reasonable and the future impact such costs could have on the General Fund.

The City's annual appropriation obligations include bonds issued to fund costs related to the Crackerneck Creek redevelopment project and the Santa Fe redevelopment project. See **"FINANCIAL INFORMATION CONCERNING THE CITY – The Falls at Crackerneck Creek Redevelopment Project"** and **"– Santa Fe Redevelopment Project"** in **Appendix A**. To date, the City has expended \$13,951,364 from its General Fund, \$1,682,643 from utility funds and \$2,258,751 from sales tax funds, to support payments on the Crackerneck Creek bonds. Due to restructurings of the Crackerneck Creek bonds, the City has not been required to make such contributions since 2017. The City issued the Series 2021 Crackerneck Creek bonds with the goal of better aligning anticipated revenues with debt service on Crackerneck Creek project bonds, however, project revenues will not be sufficient to pay such bonds on a long-term basis. The project revenues from the Santa Fe redevelopment project are also insufficient to pay debt service on the bonds related to that project. See **"FINANCIAL INFORMATION CONCERNING THE CITY – Santa Fe Redevelopment Project"** in **Appendix A** for further description of the Santa Fe shortfall. The City has adopted the TIF Supplemental Appropriation Policy (discussed in **Appendix A** under the heading **"FINANCIAL INFORMATION CONCERNING THE CITY – The City's Tax Increment Financing Supplemental Appropriation Policy"**) to identify and set aside certain revenues that become available to the City for debt service on certain of the City's annual appropriation obligations.

***No Pledge, Lease or Mortgage of the Events Center or any other Facilities of the City.*** Payment of the principal of and interest on the Series 2022 Bonds is **not** secured by any deed of trust, mortgage or other lien on the Events Center, or any other facilities or property of the City or any developer. Except as provided herein, the Series 2022 Bonds are payable solely from annual appropriation by the City and other money held by the Trustee.

***No Availability of Revenues from Events Center.*** Revenues from the operation of the Events Center will not be available to the City for the payment of the Series 2022 Bonds.

### **No Credit Enhancement**

No bond insurance policy, letter of credit, reserve fund or other credit enhancement will be issued to insure payment of the principal of or interest on the Series 2022 Bonds. Accordingly, any potential purchaser of the Series 2022 Bonds should consider the sufficiency of the CID Sales Tax Revenues to repay the Series 2022 Bonds and, if the CID Sales Tax Revenues are insufficient for that purpose, whether the City will continue to appropriate moneys sufficient to make Loan Payments under the Financing Agreement.

### **Effects of COVID-19**

In December 2019, a novel strain of coronavirus (which leads to the disease known as **"COVID-19"**), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and has negatively impacted national, state and local economies. The federal government declared a "national emergency," the State declared a state of emergency and issued a temporary stay-at-home order, and Jackson County, Missouri, the County in which the City is located, issued a temporary stay-at-home order in the spring of 2020. The stay-at-home orders have since expired. Despite the expiration of such orders, cities and counties have the ability, and continue, to impose local public health orders restricting economic activities within the State.

During parts of 2020 and 2021, the City has been subject to executive and public health orders requiring social distancing, closing or limitations on operation of certain retail establishments and reopening plans at the state and local level. In December of 2020, the City completed steps to re-establish the City of Independence Health Department (the "City Health Department") as a State-recognized local health authority in

response to the COVID-19 pandemic. By order of the Mayor and the Acting Health Director of the City on December 9, 2020, the City issued its own “Safer Independence Guidelines” which became effective on December 11, 2020, and which were updated on February 20, 2021. On May 14, 2021, all social distancing capacity restrictions in the City were lifted. Private and public businesses, places of worship, and schools may still require masks, social distancing, and other restrictions at their discretion.

On July 28, 2021, the City issued a public health order (1) encouraging all residents to wear masks while indoors and to avoid large groups or other crowd-based activities, (2) encouraging businesses to require masks of their employees and guests when indoors and to promote vaccination among their staff, and (3) stating that masks will be required in all City facilities, with exceptions for certain individuals. On August 3, 2021, the City announced that it had rescinded the public health order and would operate under a public health advisory, which strongly encourages masks in all indoor spaces, regardless of vaccination status. Under the public health advisory, masks are not required but strongly encouraged at all City facilities including City Hall, Police Headquarters, Independence Utility Center, Sermon Center, Truman Memorial Building, Palmer Center, Independence Uptown Market, and the Events Center. The City Council continues to review the City’s advisory statements and restrictions every 30 days. **[\*\*IS THIS PARAGRAPH STILL ACCURATE?\*\*]**

The City’s 2020-2021 Operating Budget anticipated significant negative effects of COVID-19 for the City’s General Fund, projecting a revenue decline of 21% for sales taxes received by the City in Fiscal Year 2021, and a \$3,049,208 General Fund revenue loss compared to the budget for Fiscal Year 2020. However, the effects of COVID-19 on the General Fund were not as significant as projected, and Fiscal Year 2021 ended with a surplus of revenues over expenditures for the General Fund of \$199,132, primarily as a result of certain expenditure reductions and higher than expected sales and use tax revenues, and partially as a result of \$1,192,500 in capital lease proceeds being recognized as revenues for the General Fund. See **“THE CITY’S GENERAL FUND – Summary of General Fund Revenues, Expenditures and Changes in Fund Balances,” “– General Fund Balance Sheet Summary,” and “2021-2022 Operating Budget.”**

The overall collections of CID Sales Tax Revenues have not been reduced by COVID-19. See **“THE CID – Projected Debt Service Coverage of the CID Sales Tax Revenues”** for historical collections of CID Sales Tax Revenues over the last five Fiscal Years. This is likely the result of there being only a short period of store closures within the CID as part of the City’s COVID-19 response and the presence of essential retailers within the CID, such as Wal-Mart, Target and Costco.

The COVID 19 pandemic did lead to a significant decrease in events and operating revenue at the Events Center in fiscal year 2020, which was partially offset by reduced operating costs because events were not being held at the facility. This carried over to the beginning of fiscal year 2021, although as the year went on more events were scheduled, a trend which has continued into fiscal year 2022. However, the Events Center still is not operating at its pre-pandemic levels. Revenues from the operation of the Events Center will not be available to the City for the payment of the Series 2022 Bonds. Expenses for the operation of the Events Center are paid with revenues generated from the Events Center. If there are operational shortfalls, the City currently intends to pay the shortfalls but has no legal obligation to do so. The anticipated source for funding any shortfalls that may occur is the City’s General Fund.

Jackson County, in which the City is located, received \$122,669,998 in funding under the federal Coronavirus Aid, Relief, and Economic Security Act or “CARES Act,” which money, by law, is to be spent on necessary expenditures incurred due to the COVID-19 public health emergency. Jackson County established a volunteer advisory group to make recommendations to the County Executive as to expenditures of the money in accordance with CARES Act requirements. The City received \$6,953,474 in distributions of such funds from Jackson County, which helped to offset an anticipated \$10,399,556 in CARES grant reimbursable expenditures incurred between March 2020 and December 2020 for COVID-19 response-related expenses. The revenues were coded as revenues to the City for Fiscal Year 2021. **The City anticipates receiving additional public assistance for COVID-19 expenditures for the same period through grants from the Federal Emergency Management Agency.**

The American Rescue Plan Act of 2021 (the “American Rescue Plan”) became law in March of 2021. Among other things, the American Rescue Plan provides funding for local governments to respond to the public health emergency associated with COVID-19, to provide premium pay to essential workers, to provide government services affected by a revenue reduction during the COVID-19 pandemic and to make investments in water, sewer, and broadband infrastructure. Funds can be used to cover costs incurred through the end of 2024. **The City anticipates receipt of \$20,295,216 under the American Rescue Plan.**

The City Manager’s Budget Letter cautions that the balanced budget presented for Fiscal Year 2022 is bolstered by amounts made available to the City under the American Rescue Plan, which funds will not be available in future years. See **“THE CITY’S GENERAL FUND – 2021-2022 Operating Budget.”**

The continued proliferation of COVID-19 throughout the City and the State may result in adverse effects on the City and the CID due to the economic ramifications of mandatory business and other closures. The City could face significant costs associated with containing and responding to the virus, as other municipal entities across the United States have already experienced, and the City cannot be certain whether any short term borrowing or State or Federal aid would be sufficient to address such costs. In addition, a longer term economic downturn could cause reductions in tax revenues and assessed valuations in the City and the CID. Developments regarding COVID-19 continue to occur on a daily basis and the extent to which COVID-19 will impact the City and the CID in the future is highly uncertain and cannot be predicted.

### **Risk Factors Relating to the Collection of CID Sales Tax and TIF Revenues**

As noted herein, the payment by the City of Loan Payments under the Financing Agreement is secured by a pledge of CID Sales Tax Revenues and a subordinate pledge of certain TIF Revenues.

Prospective investors should evaluate factors which could cause the CID Sales Tax Revenues and TIF Revenues to be reduced in order to determine the capacity of the City’s General Fund to provide for the Loan Payments with respect to the Series 2022 Bonds in the event such the CID Sales Tax Revenues and TIF Revenues are not sufficient to make such payments.

The CID Sales Tax is currently being imposed at its maximum rate. See **“THE CID – CID Sales Tax”** herein.

There are a variety of reasons the collection of the CID Sales Tax Revenues and TIF Revenues may not continue at current amounts, including but not limited to the following:

***Changes in Retail Sales Market Conditions.*** The CID Sales Tax Revenues and TIF Revenues are generated by retail sales within the CID. The volume of sales tax revenues is contingent upon and may be adversely affected by a variety of factors, including without limitation economic conditions within the City or a particular development or the surrounding trade area and competition from other retail businesses, rental rates and occupancy rates in private developments, suitability of the developments for the local market, local unemployment, availability of transportation, neighborhood changes, crime levels in the area, vandalism and rising operating costs, interruption or termination of operations as a result of fire, natural disaster, strikes or similar events, among many other factors. As a result of all of the above factors, it is difficult to predict with certainty the expected amount of CID Sales Tax Revenues and TIF Revenues which will be available for payment of the principal of and interest on the Events Center Bonds. The retail sales industry is highly competitive. Existing retail businesses outside of the City and/or the CID and the future development of such outside retail businesses, which are competitive with retail businesses in the City and/or the CID may exist or may be developed after the date of this Official Statement.

At this time, it is not possible to predict whether or to what extent further changes in economic conditions, demographic characteristics, population or commercial activity will occur, and what impact any such changes would have on CID Sales Tax Revenues, TIF Revenues and General Fund revenues.

***Competition from Development Outside the CID.*** Retail businesses outside of the CID which are currently existing or which are developed after the date of this Official Statement will be competitive with retail businesses in the CID and could have an adverse impact on the available amount of TIF Revenues and CID Sales Tax Revenues generated for repayment of the Events Center Bonds. A primary example of this is the Crackerneck Creek project, which is adjacent to but not within the CID.

***Risk of Damage or Destruction.*** The partial or complete destruction of improvements within the CID, as a result of fire, natural disaster or similar casualty event, would adversely impact the collection of the CID Sales Tax and TIF Revenues.

***Changes in State and Local Tax Laws.*** Any change in the current system of collection and distribution of sales taxes could adversely affect the availability of CID Sales Tax Revenues and/or TIF Revenues to contribute to the payment of the principal of and interest on the Events Center Bonds. There can be no assurances, however, that the current system of collection and distribution of sales taxes will not be changed by the State, the courts or the voters.

### **Risk of Non-Appropriation of CID Sales Tax**

The application of CID Sales Tax Revenues and the receipt of such revenues by the City is subject to annual appropriation by the CID. Although the CID has covenanted to request annually that the appropriation of the proceeds of the CID Sales Tax be included in the budget submitted to the Board of Directors for each fiscal year, there can be no assurance that such appropriation will be made by the Board of Directors, and the Board of Directors is not legally obligated to do so.

### **Audit of CID by Missouri State Auditor**

The CID was audited by the Missouri State Auditor in 2017. According to the Missouri State Auditor's Report No. 2017-136 released in November 2017, the Missouri State Auditor made the following findings as a result of the audit of CID:

- *Administrative fees:* The CID failed to competitively procure administrative services. As a result, the CID was paying excessive administrative fees to the City.
- *Expenditures:* The CID Board did not review or approve any expenditures related to the construction of the Events Center, which circumvents the CID Board's primary responsibility of providing oversight of district expenses.
- *Non-Compliance with State Law:* The CID Board did not submit budgets to the City within the time frames required by state law.

The CID maintains that the fee arrangement with the City is reasonable based on the scope and complexity of district administration. The finding regarding approval of construction expenditures related to the initial construction of the Events Center and could not be addressed after the time of the audit, but the CID agreed to follow the report's recommendation that the CID Board of Directors be provided documentation regarding project expenditures on future projects for review and approval. The CID has addressed the timing of its budget submittals to the City.

### **Risk of Non-Appropriation of TIF Revenues**

The application of TIF Revenues in the various special allocation funds for the Eastland Center, Centerpoint and Trinity redevelopment projects is subject to annual appropriation by the City. Although the City has covenanted to request annually that the appropriation of the TIF Revenues in the various special allocation funds be included in the budget submitted to the City Council for each fiscal year, there can be no assurance that such appropriation will be made by the City Council, and the City Council is not legally obligated to do so.



## **Prior Pledge of TIF Revenues**

The TIF Revenues may be required to be used to pay bonds which have already been issued or may be issued in the future, or may be needed to reimburse the applicable developers, various taxing district or the City for redevelopment costs not associated with the Events Center. There is no limit on the amount of additional bonds the City may issue from such TIF Revenues. For these reasons, **prospective investors should not rely upon the City's collection of TIF Revenues as a significant source of repayment of the Series 2022 Bonds, but should instead evaluate the likelihood that sufficient revenues will be available from the CID Sales Tax Revenues to repay the Series 2022 Bonds and, if the CID Sales Tax Revenues are insufficient for that purpose, that the City will continue to appropriate moneys sufficient to make Loan Payments under the Financing Agreement.**

## **Possible Additional Bonds**

The sole economic test for the issuance of Additional Bonds on a parity with the Events Center Bonds is whether the City is willing to commit its annual appropriation obligation to the repayment of the Loan Payments with respect to such Additional Bonds. This means that the City may issue or cause to be issued Additional Bonds on a parity with such bonds even if the CID Sales Tax Revenues and TIF Revenues are not sufficient to provide for the Loan Payments relating to such bonds, without regard to the proposed Additional Bonds. See **"INTRODUCTORY STATEMENT – Additional Bonds"** for a discussion of potential issuances of Additional Bonds by the City.

## **Federal Investigation of Certain Transactions**

In March of 2020, a federal grand jury issued a subpoena for records of closed-session (non-public) meetings held by the City Council of the City. Governing bodies of cities in Missouri are allowed by law to hold non-public meetings for a variety of purposes for which information discussed at such meetings may be detrimental if released to the public, including but not limited to buying or selling real estate and attorney-client matters such as litigation and contract negotiations. The three meetings for which records were requested were held on December 19, 2016, May 15, 2017 and October 23, 2017. During such meetings, the City Council discussed two transactions conducted by the City around the time of such meetings (although the City Council's discussion was not limited exclusively to such transactions). In one transaction, the City purchased approximately 94 acres of land and then leased the property to a private power company for the operation of a solar farm (the "Solar Farm Transaction"). In the other transaction, as part of the decommissioning of the "Missouri City Power Plant" that was once a part of the City's electric utility (known as "Independence Power & Light"), the City awarded a contract to demolish the Missouri City Power Plant (the "Power Plant Demolition Transaction"). The Solar Farm Transaction involved the purchase of property by the City for \$985,000, which property had been acquired by the seller within the prior year for \$550,000. The Power Plant Demolition Transaction involved the acceptance by the City of the higher of two bids received for the demolition project (the bid accepted was for approximately \$9.75 Million and the rejected bid was for approximately \$4.45 Million).

In March of 2020, the Federal Bureau of Investigations ("FBI") requested from the City copies of a resolution dated July 21, 2014 relating to the Power Plant Demolition Transaction, minutes of two meetings (June 27, 2016 and July 18, 2016), and a request for qualifications distributed by the City with respect to the Power Plant Demolition Transaction. In April of 2020, the FBI requested minutes of a June 23, 2017 meeting of the City utility board that advises the City Council on the governance of Independence Power & Light. In May of 2020, the FBI requested reimbursement receipts submitted by four members of the City Council and requested video of an April 3, 2017 City Council meeting. The Power Plant Demolition Transaction had been discussed at each of the meetings for which records were requested by the FBI. In June of 2020, the FBI requested data files establishing the boundaries of neighborhood council districts displayed on the City's website. The neighborhood councils are a system of not-for-profit entities at the neighborhood level that

operate within defined boundaries and advocate for public services and improvements and economic development within their areas.

Based on the City's present knowledge and information available to the City, (1) the City does not believe that the investigations relate to the CID, the CID Sales Tax Revenues, the TIF Revenues, the Events Center Bonds, or any expenditures, contracts or decision making related thereto, and (2) the City does not believe the ultimate resolution of the investigations will have a material adverse effect on the CID Sales Tax Revenues, the TIF Revenues or the City's overall financial condition.

### **Titan Fish Lawsuit**

In July of 2020, Titan Fish Partners, LLC and a named individual filed a petition against the City and two City Council members (the "Titan Fish Lawsuit"). Titan Fish Partners, LLC is the seller of land to the City in the Solar Farm Transaction discussed above under **"BONDOWNERS' RISKS – Federal Investigation of Certain Transactions."** The petition claims that certain statements made by such City Council members to and reported in the *Kansas City Star* charged Titan Fish Partners, LLC with being under investigation by the FBI, and that such statements caused damage to the plaintiffs based on defamation, intentional infliction of emotional distress, and tortious interference with a business expectancy. **The defendants filed a motion for summary judgement denying the petition, upon which the court has not yet ruled.** The City does not believe the ultimate resolution of the Titan Fish Lawsuit will have a material adverse effect on the CID Sales Tax Revenues, the TIF Revenues or the City's overall financial condition.

### **Barry Jones Lawsuit**

In December of 2018, Barry Jones, an individual customer of Independence Power & Light, brought suit (the "Barry Jones Lawsuit") against the City, Independence Power & Light, the Acting Director of Independence Power & Light and three companies that provided computer software to Independence Power & Light, seeking to certify a class for a class action lawsuit and alleging that Independence Power & Light had overcharged its customers on their electric utility bills by overstating the amount of electricity consumed. The allegations included violation of the Missouri Merchandising Practices Act, conversion by wrongfully taking money, unjust enrichment, fraudulent misrepresentation, negligent misrepresentation, breach of contract, and negligence *per se*. In February of 2019, the plaintiff filed a first amended petition adding two named plaintiffs to represent classes of for-profit and non-profit customers, in addition to the class of individual persons represented by Barry Jones. In April of 2021, the plaintiffs filed a motion for leave to file a second amended petition in order to (1) add three additional defendants, including the Mayor, the City Council itself, and the City's Public Utilities Advisory Board, and (2) plead an additional nine causes of action, including additional claims of unjust enrichment, breach of contract, fraud, breach of fiduciary duty, negligence, civil conspiracy, negligence *per se*, substantial assistance and encouragement in the commission of a tort, and substantial assistance and encouragement in the commission of a tort. The proposed second amended petition adds the allegation that the 9.08% payment in lieu of tax charged by the City on gross receipts of Independence Power & Light violates Section 3.17 of the City's charter, which provides that "[t]he electric utility shall not be operated for the benefit of other municipal functions, and shall not be used directly or indirectly as a general revenue producing agency for the city, but it may pay to the city an amount in lieu of such taxes as are normally placed upon private business enterprises" and that "[a]fter providing for depreciation accruals and amortization of bonds, and for reasonable accumulation of surplus, the electric utility shall apply all annual profits to rate reductions." **\*\*ANY UPDATES?\*\***

The City does not believe the ultimate resolution of the Barry Jones Lawsuit will have a material adverse effect on the CID Sales Tax Revenues, the TIF Revenues or the City's overall financial condition.

## Cybersecurity Risks

The City, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Such incidents can result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's information technology systems to misappropriate assets or information or to cause operational disruption and damage. As a recipient and provider of personal, private or sensitive information, the City and its agencies and offices face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems.

In July of 2020, the City began an investment program of over four million dollars in upgrades to its computer and information-technology systems in order to better prepare for potential cyber-attacks. On December 5, 2020, during the period in which such upgrades were being implemented, the City was hit with a ransomware attack. Ransomware works by attacking user files, encrypting them and essentially holding the information hostage in exchange for a payment. The attack was successful in encrypting and removing files, but did not infect any of the City's critical operational systems. The City took its entire network offline temporarily to assess the extent of the damage, during which time the City's online utility bill payment system and other publicly accessible features were unavailable. Because of the downtime, the City temporarily waived late fees and penalties for power and water customers and temporarily suspended residential utility shutoffs for failure to pay. The files encrypted and/or removed during the attack were backed up on other City data storage devices, so the City did not lose access to any of its system. The City is still investigating but has not discovered any personal or other sensitive information taken as part of the attack. The City has sent notices to customers cautioning them that information may have been subject to the attack. To date, no lawsuits have been filed against the City as a result of the attack. The City has since completed its program of upgrades to provide increased protection against cyber-attacks.

It is possible that security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information or damage to operating systems resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City's computer and information-technology systems and the services they provide, or the unauthorized disclosure of confidential and other credit information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of computer and information-technology systems could interrupt the City's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations and financial condition. The City does carry insurance to cover damages related to cyber-attacks.

## Loss of Premium Upon Early Redemption

Purchasers of maturities of the Series 2022 Bonds sold at a price in excess of their principal amount should consider the fact that the Series 2022 Bonds are subject to redemption at a redemption price equal to their principal amount plus accrued interest under certain circumstances. See "THE SERIES 2022 BONDS – Redemption."

## Determination of Taxability

The interest rates on the Series 2022 Bonds are not subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any bond is or was includible in the gross income of the owner of a bond for federal income tax purposes. Such determination may, however, result in a breach of the Board's tax covenants set forth in the Indenture which may constitute an event of default under such Indenture. It may be that Bondowners would

continue to hold their bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.

### **Risk of Audit**

The Internal Revenue Service (the “Service”) has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Series 2022 Bonds. Owners of the Series 2022 Bonds are advised that, if an audit of the Series 2022 Bonds were commenced, in accordance with its current published procedures, the Service is likely to treat the Board as the taxpayer, and the owners of the Series 2022 Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2022 Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

### **Enforcement of Remedies**

The enforcement of the remedies contained in the Indenture and the Financing Agreement may be limited or restricted by federal or state laws or by the application of judicial discretion, and may be delayed in the event of litigation to enforce the remedies. State laws concerning the use of assets of political subdivisions and federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors may affect the enforcement of remedies. Similarly, the application of general principles of equity and the exercise of judicial discretion may preclude or delay the enforcement of certain remedies. The legal opinions to be delivered with the delivery of the Series 2022 Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors’ rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases.

### **Amendment of Documents**

Certain amendments to the Indenture and the Financing Agreement may be made without the consent of or notice to the registered owners of the Series 2022 Bonds. Such amendments may adversely affect the security for the Series 2022 Bonds. In addition to the foregoing, in some jurisdictions outside the State of Missouri, there are a variety of trust instruction procedure (“TIP”) statutes, which generally allow judicially supervised remedies for trust estates of trustees that have a nexus, such as the Trustee’s office, with such jurisdiction. Under such TIP statutes, such jurisdictions may allow or order the Trustee to amend the documents relating to the Series 2022 Bonds in contravention of the manner provided for in these documents, including without limitation allowing the Trustee to disregard provisions requiring the consent of the holders of the Series 2022 Bonds prior to certain amendments of these documents.

### **Lack of Secondary Market for the Series 2022 Bonds**

There is no assurance that a secondary market will develop for the purchase and sale of the Series 2022 Bonds. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor’s circumstances, and may require commitment of the investor’s funds for an indefinite period of time, perhaps until maturity.

### **Defeasance Risks**

Series 2022 Bonds will be deemed to be paid and discharged and no longer Outstanding under the Indenture and will cease to be entitled to any lien, benefit or security of the Indenture if the Board shall pay or provide for the payment of such Series 2022 Bonds in any one or more of the following ways: (a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Series 2022

Bonds, as and when the same become due and payable; (b) by delivering such Series 2022 Bonds to the Trustee for cancellation; or (c) by depositing in trust with the Trustee or other Paying Agent moneys and Government Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Series 2022 Bonds at or before their respective maturity or redemption dates (including the payment of the principal of, premium, if any, and interest payable on such Series 2022 Bonds to the maturity or redemption date thereof); provided that, if any such Series 2022 Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of the Indenture or provision satisfactory to the Trustee is made for the giving of such notice. Government Obligations include the following: (a) bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America; and (b) evidences of direct ownership of a proportionate or individual interest in future interest or principal payments on specified direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian in form and substance satisfactory to the Trustee. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Indenture that Government Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include any rating of the Series 2022 Bonds, if the Series 2022 Bonds are then rated, defeased with Government Obligations to the extent the Government Obligations have a change or downgrade in rating.

## **LITIGATION**

### **The Board**

There is not now pending or, to the knowledge of the Board, threatened any litigation against the Board seeking to restrain or enjoin the issuance or delivery of the Series 2022 Bonds, or questioning or affecting the validity of the Series 2022 Bonds or the proceedings of the Board under which they are to be issued, or which in any manner questions the right of the Board to enter into the Indenture or the Financing Agreement or to secure the Series 2022 Bonds in the manner provided in the Indenture or the Act.

### **The City**

There is not now pending or, to the knowledge of the City, threatened any litigation against the City seeking to prohibit, restrain, or enjoin the issuance, sale, or delivery of the Series 2022 Bonds or the collection of the Trust Estate pledged or to be pledged by the Board to pay the principal of and interest on the Series 2022 Bonds, or the pledge thereof, which in any manner questions the right of the City to enter into the Financing Agreement or to secure the City's Loan Payments with respect to the Series 2022 Bonds in the manner provided in the Financing Agreement or as described herein, or affecting or seeking to prohibit, restrain or enjoin the City's covenant for the City Manager or Acting City Manager to include or cause to be included in each budget submitted to the City Council the necessary annual appropriation for the Loan Payments as required under the Financing Agreement.

### **The CID**

There is not now pending or, to the knowledge of the CID, threatened any litigation against the CID seeking to prohibit, restrain, or enjoin the collection of the CID Sales Tax, which in any manner questions the right of the CID to enter into the Cooperative Agreement or to apply proceeds of the CID Sales Tax in the manner described in the Cooperative Agreement, or affecting or seeking to prohibit, restrain or enjoin the

annual appropriation by the CID of proceeds of the CID Sales Tax for application in accordance with the Cooperative Agreement.

## LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2022 Bonds by the Board are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, whose approving opinion will be delivered with the Series 2022 Bonds. Certain legal matters will be passed upon for the Board by its counsel, Gilmore & Bell, P.C., Kansas City, Missouri. Certain legal matters will be passed upon for the CID by its counsel, Armstrong Teasdale LLP, Kansas City, Missouri. Certain legal matters relating to the Official Statement will be passed upon for the City by Gilmore & Bell, P.C., Kansas City, Missouri, and for the CID by Armstrong Teasdale LLP, Kansas City, Missouri. Certain legal matters will be passed upon for the City by Lauber Municipal Law, LLC, Lee's Summit, Missouri, serving as the City Counselor.

The various legal opinions to be delivered concurrently with the delivery of the Series 2022 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2022 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2022 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2022 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2022 Bonds.

### Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Series 2022 Bonds:

***Federal and Missouri Tax Exemption.*** The interest on the Series 2022 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

***Alternative Minimum Tax.*** Interest on the Series 2022 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

***No Bank Qualification.*** The Series 2022 Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2022 Bonds, subject to the condition that the Board and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2022 Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2022 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2022 Bonds but has reviewed the discussion under the heading "TAX MATTERS."

## **Other Tax Consequences**

**Original Issue Discount.** For federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Series 2022 Bond over its issue price. The issue price of a Series 2022 Bond is the first price at which a substantial amount of the Series 2022 Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2022 Bond during any accrual period generally equals (1) the issue price of that Series 2022 Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2022 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2022 Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2022 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

**Original Issue Premium.** If a Series 2022 Bond is issued at a price that exceeds the stated redemption price at maturity of the Series 2022 Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Series 2022 Bond. Under Section 171 of the Code, the purchaser of that Series 2022 Bond must amortize the premium over the term of the Series 2022 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2022 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2022 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

**Sale, Exchange or Retirement of Bonds.** Upon the sale, exchange or retirement (including redemption) of a Series 2022 Bond, an owner of the Series 2022 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2022 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2022 Bond. To the extent a Series 2022 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2022 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2022 Bonds, and to the proceeds paid on the sale of the Series 2022 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income.

The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

***Collateral Federal Income Tax Consequences.*** Prospective purchasers of the Series 2022 Bonds should be aware that ownership of the Series 2022 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2022 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2022 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2022 Bonds, including the possible application of state, local, foreign and other tax laws.

## **RATING**

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") has assigned the Series 2022 Bonds the rating shown on the cover page of this Official Statement. Such rating reflects only the view of S&P, and any further explanation of the significance of such rating may be obtained only from the rating agency. The rating does not constitute a recommendation by the rating agency to buy, sell or hold any bonds, including the Series 2022 Bonds. There is no assurance that any rating when assigned to the Series 2022 Bonds will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of the rating assigned to the Series 2022 Bonds may have an adverse effect on the market price of the Series 2022 Bonds.

The City has furnished the rating agency with certain information and materials relating to the Series 2022 Bonds and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies.

Neither the City, the Board, the CID, the Municipal Advisor nor the Underwriter has undertaken any responsibility to bring to the attention of the Owners of the Series 2022 Bonds any proposed revision or withdrawal of a rating of the Series 2022 Bonds or to oppose any such proposed revision or withdrawal, except that the City has agreed in the Continuing Disclosure Undertaking to inform Owners of any such revision to the rating as set forth in the Continuing Disclosure Undertaking. Any downward revision or withdrawal of the rating may have an adverse effect on the market price and marketability of the Series 2022 Bonds.

## **FINANCIAL STATEMENTS**

Audited financial statements of the City for the fiscal year ended June 30, 2021 are included in the City's Comprehensive Annual Financial Report in **Appendix B** to this Official Statement. These financial statements have been audited by Rubin Brown LLP, independent certified public accountants, to the extent and for the periods indicated in their report which is also included in **Appendix B** hereto. Rubin Brown LLP, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Rubin Brown LLP also has not performed any procedures relating to this Official Statement.



## CONTINUING DISCLOSURE

The City will execute a Continuing Disclosure Undertaking with respect to ongoing disclosure which will constitute the written understanding for the benefit of the holders of the Series 2022 Bonds required by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. A form of the Continuing Disclosure Undertaking is included in **Appendix G**. The Board has determined that no financial or operating data concerning the Board is material to an evaluation of the offering of the Series 2022 Bonds or to any decision to purchase, hold or sell Series 2022 Bonds and the Board will not provide any such information. Any commitment or obligation for continuing disclosure with respect to the Series 2022 Bonds or the City has been undertaken solely by the City.

The City has previously entered into continuing disclosure undertakings similar to the Continuing Disclosure Undertaking related to most of the outstanding bonds listed in **Appendix A** under the heading “**FINANCIAL INFORMATION CONCERNING THE CITY – Obligations of the City – General Obligation Debt**” and “*– Revenue Obligations.*” The City believes it has complied in all material respects during the past five years with its prior undertakings, except as follows:

- For fiscal years ended June 30, 2016 through 2018, the City timely filed its audited financial statements on EMMA; however, the audited financial statements were not timely linked to all CUSIP numbers for the Series 2012F Bonds, Series 2013A Bonds and Series 2014C Bonds issued on behalf of the City by the Board (certain of which are still outstanding and are described in **Appendix A** hereto).
- For the fiscal year ended June 30, 2015, the City did not timely file its audited financial statements on EMMA and such audited financial statements were not initially properly linked to all CUSIP numbers for the Series 2013A Bonds and Series 2014C Bonds issued on behalf of the City by the Board (certain of which are still outstanding and are described in **Appendix A** hereto).
- For fiscal years ended June 30, 2016 through 2018, the City timely filed the required operating data on EMMA under its Series 2012F Bonds and Series 2014C Bonds issued on behalf of the City by the Board (certain of which are still outstanding and are described in **Appendix A** hereto); however, this information was not timely linked to all CUSIP numbers for the Series 2012F Bonds and Series 2014C Bonds.
- For fiscal years ended June 30, 2015 through 2018, the City did not file certain categories of operating data on EMMA required to be provided pursuant to its prior continuing undertakings entered into in connection with the City’s then-outstanding tax increment financing loan obligations and obligations related to the City’s Events Center evidenced by infrastructure facilities revenue bonds issued by the Board (certain of which are still outstanding and are described in **Appendix A** hereto) in the level of detail required by the continuing disclosure undertakings relating to certain of such bonds. Aggregate information relating to revenues required to be disclosed was available as part of the City’s comprehensive annual financial reports filed for such years, but certain continuing disclosure undertakings called for revenue information at a more detailed level. On December 26, 2019, the City, with the assistance of Gilmore & Bell, P.C. whom the City has since engaged to assist the City with ongoing continuing disclosure obligations as further discussed below, filed a supplemental report containing such information for fiscal years ended June 30, 2014 through 2018.
- In addition, the City did not file event notices relating to certain bond redemptions, defeasances or rating changes for certain prior bond issues for which it was the “obligated

person” in full compliance with its prior continuing disclosure undertakings. The City believes, however, that any prior deficiency with respect to those event notices is not material, as the information was disseminated or available through other sources. Notwithstanding the foregoing, the City has posted notice of such rating changes in March of 2021.

To the extent that the above-referenced failures to comply could be remedied, the City has made the corrective filings with EMMA and corrected linking to all respective CUSIP numbers. Similarly, while the City has not always timely filed applicable notices of failures to file, the City has ensured all such filings have been made.

For Fiscal Year 2019, the City’s audited financial statements were not available by the filing deadline required under its prior undertakings. In accordance with its prior undertakings, the City filed unaudited financial statements on December 26, 2019, and filed its audited financial statements when they became available, although this was not until May 26, 2020. The reasons for this extended delay include the City’s employment of a new auditor starting with Fiscal Year 2019, the implementation of new financial software in Fiscal Year 2019, inefficiencies caused by turnover in City staff, difficulties in completing the audit while complying with COVID-19 social distancing measures at City Hall, and additional single-audit procedures performed by the auditor in response to the investigation of certain transactions described under **“BONDOWNERS’ RISKS – Federal Investigation of Certain Transactions.”**

For Fiscal Year 2020, the City’s audited financial statements were not available by the filing deadline required under its prior undertakings. In accordance with its prior undertakings, the City filed unaudited financial statements on December 23, 2020, and filed its audited financial statements when they became available on January 6, 2021.

For Fiscal Year 2021, the City’s audited financial statements and operating data were timely filed.

In order to promote future compliance with its continuing disclosure undertakings, the City engaged Gilmore & Bell, P.C., to assist the City in better meeting its continuing disclosure obligations. The City’s current engagement with Gilmore & Bell, P.C., is for five-years, beginning with the City’s continuing disclosure obligations for fiscal year ended June 30, 2020. Additionally, in the spring of 2021, the City adopted a new continuing disclosure compliance policy for the purpose of formalizing procedures to better ensure compliance with its continuing disclosure undertakings and designating a specific City staff member as having responsibility for continuing disclosure and ensuring that such staff member understands the City’s continuing disclosure obligations. The City believes the actions described in this paragraph establish processes sufficient to ensure that in the future it will make its continuing disclosure filings as required.

## UNDERWRITING

The Series 2022 Bonds are being purchased by Robert W. Baird & Co. Incorporated (the “Underwriter”). The Underwriter has agreed to purchase the Series 2022 Bonds pursuant to a bond purchase agreement entered into by and among the Board, the City and the Underwriter. The bond purchase agreement provides that the Underwriter will purchase the Series 2022 Bonds at a purchase price of \$\_\_\_\_\_ (which represents the principal amount of the Series 2022 Bonds less an underwriter’s discount of \$\_\_\_\_\_ and less/plus original issue discount/premium of \$\_\_\_\_\_). In addition, the bond purchase agreement provides, among other things, that the Underwriter will purchase all of the Series 2022 Bonds, if any are purchased. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2022 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2022 Bonds are subject to various conditions contained in the bond purchase agreement.

## **MUNICIPAL ADVISOR**

Baker Tilly Municipal Advisors, LLC (the “Municipal Advisor”) has acted as municipal advisor to the City in connection with the sale of the Series 2022 Bonds. The Municipal Advisor has assisted the City in matters relating to the planning, structuring and delivery of the Series 2022 Bonds and various other debt related matters. The Municipal Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Series 2022 Bonds.

## **MISCELLANEOUS**

The references herein to the Act, the Indenture, the Financing Agreement and the Continuing Disclosure Undertaking are brief outlines of certain provisions thereof and do not purport to be complete. For full and complete statements of the provisions thereof, reference is made to the Act, the Indenture, the Financing Agreement and the Continuing Disclosure Undertaking. Copies of such documents are on file at the offices of the Underwriter and following delivery of the Series 2022 Bonds will be on file at the office of the Trustee.

The agreement of the Board with the owners of the Series 2022 Bonds is fully set forth in the Indenture, and neither any advertisement of the Series 2022 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2022 Bonds. Statements made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact.

The Cover Page hereof and the Appendices hereto are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The execution and delivery of this Official Statement has been duly authorized by the City, and its use has been approved by the Board.

**CITY OF INDEPENDENCE, MISSOURI**

By: \_\_\_\_\_  
City Manager

## **APPENDIX A**

### **INFORMATION CONCERNING THE CITY OF INDEPENDENCE, MISSOURI**

**APPENDIX B**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF  
INDEPENDENCE, MISSOURI FOR FISCAL YEAR ENDED JUNE 30, 2021;  
THE CITY'S 2021-2022 OPERATING BUDGET**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE CITY OF INDEPENDENCE, MISSOURI  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

## **THE CITY'S 2021-2022 OPERATING BUDGET**

## **APPENDIX C**

### **DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF CERTAIN LEGAL DOCUMENTS**



## APPENDIX D

### FORM OF OPINION OF BOND COUNSEL

Missouri Development Finance Board  
Jefferson City, Missouri

Robert W. Baird & Co. Incorporated  
Clayton, Missouri

City of Independence, Missouri  
Independence, Missouri

UMB Bank, N.A., as Trustee  
Kansas City, Missouri

Re:     \$\_\_\_\_\_ Missouri Development Finance Board Infrastructure Facilities Refunding and  
          Improvement Revenue Bonds (City of Independence, Missouri – Events Center Project),  
          Series 2022

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Missouri Development Finance Board (the “Board”), of the above-referenced bonds (the “Bonds”). The Bonds have been authorized and issued pursuant to the Missouri Development Finance Board Act, Sections 100.250 to 100.297 of the Revised Statutes of Missouri, as amended (the “Act”), and the Bond Trust Indenture dated as of April 1, 2008, as supplemented and amended from time to time, including by a Series 2022 Supplemental Bond Trust Indenture dated as of April 1, 2022 (as supplemented and amended, the “Indenture”) between the Board and UMB Bank, N.A., as trustee (the “Trustee”). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

The proceeds of the Bonds will be used by the Board to make a loan to the City of Independence, Missouri, a constitutional charter city and political subdivision of the State of Missouri (the “City”), pursuant to a Financing Agreement dated as of April 1, 2008, as supplemented and amended from time to time, including by the Series 2022 Supplemental Financing Agreement dated as of April 1, 2022 (as supplemented and amended, the “Financing Agreement”) between the Board and the City.

Reference is made to an opinion of even date herewith of Lauber Municipal Law, LLC, serving as City Counselor to the City, with respect to, among other matters, (a) the power of the City to enter into and perform its obligations under the Financing Agreement and the Tax Compliance Agreement, (b) the passage and effectiveness of the Authorizing Ordinance, and (c) the due authorization, execution and delivery of the Financing Agreement and the Tax Compliance Agreement by the City and the binding effect and enforceability thereof against the City.

In our capacity as Bond Counsel, we have examined a certified transcript of proceedings relating to the authorization and issuance of the Bonds, which transcript includes, among other documents and proceedings, the following:

- (i)       The Indenture;
- (ii)      The Financing Agreement; and
- (iii)     The Tax Compliance Agreement.

We have also examined the Constitution and statutes of the State of Missouri, insofar as the same relate to the authorization and issuance of the Bonds and the authorization, execution and delivery of the Indenture, the Financing Agreement and the Tax Compliance Agreement.

Based upon such examination, we are of the opinion, as of the date hereof, as follows:

1. The Board is a body corporate and politic duly and legally organized and validly existing under the Act and has lawful power and authority to issue the Bonds and to enter into the Indenture, the Financing Agreement and the Tax Compliance Agreement and to perform its obligations thereunder.

2. The Bonds are in proper form and have been duly authorized and issued in accordance with the Constitution and statutes of the State of Missouri, including the Act.

3. The Bonds are valid and legally binding limited obligations of the Board according to the terms thereof, payable as to principal and interest solely from, and secured by a valid and enforceable pledge and assignment of the Trust Estate, all in the manner provided in the Indenture. The Bonds do not constitute a debt of the State of Missouri or of any other political subdivision thereof and do 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. The Board has no taxing power.

4. The Indenture, the Financing Agreement and the Tax Compliance Agreement have been duly authorized, executed and delivered by the Board and constitute valid and legally binding agreements enforceable against the Board in accordance with the respective provisions thereof.

5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Board and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board and the City have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture, the Financing Agreement and the Tax Compliance Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion regarding the accuracy, completeness or sufficiency of any offering material relating to the Bonds, except as otherwise expressly stated. Further, we express no opinion regarding the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

## **APPENDIX E**

### **ACTUARIAL REPORT OF GRS RETIREMENT CONSULTING**

**APPENDIX F**

**ACTUARIAL REPORT OF  
LEWIS & ELLIS INC.**

## APPENDIX G

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** (the “Disclosure Undertaking”) dated as of April 1, 2022, is executed and delivered by the City of Independence, Missouri (the “City”), in connection with the issuance of Infrastructure Facilities Refunding and Improvement Revenue Bonds (City of Independence, Missouri - Events Center Project), Series 2022 issued by the Missouri Development Finance Board (the “Board”) on behalf of the City in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are issued pursuant to a Bond Trust Indenture dated as of April 1, 2008, as supplemented and amended from time to time, including by a Series 2022 Supplemental Bond Trust Indenture dated as of April 1, 2022 (as supplemented and amended, the “Indenture”) between the Board of UMB Bank, N.A., as successor trustee and as named trustee.

In order to permit the Underwriter (defined below) to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, as amended, in connection with the public offering of the Bonds, the City, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agrees, for the sole and exclusive benefit of holders and Beneficial Owners (as hereinafter defined) of the Bonds, as follows:

**Section 1. Definitions.** Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in the Indenture.

“Annual Financial Information” shall mean the information specified in Section 3 hereof.

“Authorizing Ordinance” means the ordinance of the City passed on March \_\_, 2022 authorizing the issuance of the Bonds.

“Beneficial Owner” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Bonds” shall mean the bonds described above.

“City” shall mean the City of Independence, Missouri, a municipality of the State of Missouri constituting a political subdivision, and any successor thereto.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures.

“Fiscal Year” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include “municipal securities” (as such term is defined in the Securities Exchange Act of 1934, as amended) as to which a “final official statement” (as such term is defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

“Financing Agreement” means the Financing Agreement dated as of April 1, 2008, as supplemented and amended from time to time, including by the Series 2022 Supplemental Financing Agreement dated as of April 1, 2022, between the City and the Board with respect to the Bonds.

“GAAP” shall mean accounting principles generally accepted in the United States of America as prescribed from time to time for governmental units by the Governmental Accounting Standards Board.

“GAAS” shall mean generally accepted auditing standards as in effect from time to time in the United States.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Obligated Person” shall mean the person (including an issuer of separate securities) that is committed by contract or other arrangements structured to support payment of all or part of the obligations under the municipal securities.

“Official Statement” shall mean the Official Statement related to the Bonds dated \_\_\_\_\_, 2022.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended from time to time.

“Underwriter” shall mean Robert W. Baird & Co., Incorporated.

## **Section 2. Obligations to Provide Continuing Disclosure.**

### **(a) Obligations of the City.**

- (i) The City hereby undertakes, for the benefit of the holders and Beneficial Owners of the Bonds, to provide, no later than January 2 of each year commencing January 2, 2023 (or, if the City’s Fiscal Year shall no longer end on June 30, 180 days after the end of each of its Fiscal Years) to the MSRB via EMMA, the City’s Comprehensive Annual Financial Report (the “Annual Report”), which includes (or, with respect to (B), is provided together with) (A) the audited financial statements of the City for the prior fiscal year, and (B) a statement as of the end of the Fiscal Year of the CID Sales Tax Revenues and CID EATS (as defined in the Authorizing Ordinance) received by the City and updates to the information in the tables in Appendix A to the Official Statement under the Headings “FINANCIAL INFORMATION CONCERNING THE CITY – Property Valuations – *Current Assessed Valuation*,” “– *History of Property Valuation*,” “– *Major Property Taxpayers*,” “Obligations of the City,” and “Overlapping or Underlying Indebtedness.” If the City’s Comprehensive Annual Report is not then available, unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds and the operating information described in (B) above shall be provided no later than January 2 of each year commencing January 2, 2023 (or, if the City’s Fiscal Year shall no longer end on June 30, 180 days after the end of each of its Fiscal Years) and the Comprehensive Annual Report shall be promptly delivered to the MSRB if and when it becomes available. The Annual Report shall be provided to the MSRB in such manner and format as prescribed by the MSRB.

- (ii) The Trustee, based upon information that has been provided to and actually received by it in its capacity as Trustee, if other than an officer of the City, shall notify the City of the

occurrence of any of the events with respect to the Bonds listed in Section 2(a)(iii) hereof promptly upon becoming aware of the occurrence of any such event.

(iii) The City hereby undertakes, for the benefit of the holders and Beneficial Owners of the Bonds, to provide to the MSRB via EMMA and the Trustee, not later than 10 Business Days from the occurrence thereof, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(iv) The City shall also provide to the MSRB in a timely manner notice of any failure of the City to provide the MSRB the Annual Report or financial statements required by paragraph (i) of this Section 2(a) on or before the date specified.

(v) Notwithstanding the foregoing, notice of listed events described in (iii)(8) above need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Indenture.

(b) Termination or Modification of Disclosure Obligation. The City's obligations herein shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations hereunder are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 2(a)(iii)**.

(c) Other Information. Nothing herein shall be deemed to prevent the City from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the City should disseminate any such additional information, the City shall have no obligation hereunder to update such information or include it in any future materials disseminated hereunder.

### **Section 3. Annual Financial Information.**

(a) Specified Information. The Annual Financial Information of the City shall consist of the Annual Report as described in Section 2(a)(i).

(b) Incorporation by Reference. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an “obligated person” (as defined by Rule 15c2-12), which have been provided to the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB via EMMA. The City shall clearly identify each such other document so included by reference.

(c) Informational Categories. The requirements contained in this Disclosure Undertaking are intended to set forth a general description of the type of financial information and operating data to be provided by the City, such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of this Disclosure Undertaking call for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

### **Section 4. Financial Statements.**

The annual financial statements of the City for each fiscal year shall be prepared in accordance with GAAP (unless applicable accounting principles are otherwise disclosed) and audited by an independent accounting firm in accordance with GAAS. The annual financial statements may be provided by specific incorporation by reference to any other documents which have been filed with the MSRB and the Securities and Exchange Commission.

### **Section 5. Remedies.**

If the City should fail to comply with any provision of this Disclosure Undertaking, then any holder or Beneficial Owner of Bonds may enforce, for the equal benefit and protection of all the holders or Beneficial Owners of the Bonds similarly situated, by mandamus or other suit or proceeding at law or in equity, against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of such party hereunder, and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and provided, further, that the rights of any holder or Beneficial Owner to challenge the adequacy of the information provided in accordance with Sections 2 and 3 hereunder are conditioned upon the provisions of the Indenture with respect to the enforcement of remedies of holders upon the occurrence of an Event of Default as though such provisions applied hereunder. Failure of any party to perform its obligations hereunder shall not constitute an Event of Default under any agreement executed and delivered in connection with the issuance of the Bonds.



## **Section 6. Parties in Interest.**

The provisions of this Disclosure Undertaking shall inure solely to the benefit of holders and Beneficial Owners from time to time of the Bonds, the Underwriter, the City and the Trustee, and shall create no rights in any other person or entity.

## **Section 7. Amendments.**

(a) Without the consent of any of the holders or Beneficial Owners of the Bonds, the City, at any time and from time to time, may amend or make changes this Disclosure Undertaking for any purpose, if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City or any type of business or affairs it conducts;

(ii) the undertakings set forth herein, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of Rule 15c2-12 on the date hereof, after taking into account any amendments to, or interpretation by the staff of the Securities and Exchange Commission of, Rule 15c2-12, as well as any change in circumstances; and

(iii) the amendment, in the opinion of nationally recognized bond counsel, does not materially impair the interests of the holders or Beneficial Owners of the Bonds.

(b) Annual Financial Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change in the type of operating data or financial information in the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent in a timely manner by the City to the MSRB.

## **Section 8. Termination.**

This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased pursuant to the Indenture; provided, however, that if Rule 15c2-12 (or successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided, further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance of the Bonds, the City shall provide notice of such defeasance to the MSRB and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

**Section 9. Notices.** Any notices or communications to the City may be given as follows:

City of Independence, Missouri  
111 East Maple  
City of Independence, Missouri 64050  
Attention: Director of Finance  
Telephone: 816-325-7061

The City may, by written notice to the Trustee, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

**Section 10. Designated Agents.**

The City may, from time to time, appoint or designate one or more agents (each, a “designated agent”) to submit Annual Financial Information, Material Event notices, and other notices or reports with the MSRB via EMMA. The City hereby appoints the Trustee and Gilmore & Bell, P.C. as designated agents of the City solely for the purpose of submitting City-approved Annual Financial Information, event notices, and other notices or reports to the MSRB via EMMA as requested by the City. The City may revoke this designation at any time upon written notice to the designated agent, and may designate one or more additional designated agents for purposes of this **Section 10** from time to time by written designation to the newly appointed designated agent.

**Section 11. Electronic Transactions.**

The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12. Governing Law.**

This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

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