

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE APPROVING A PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT; AUTHORIZING THE CITY OF INDEPENDENCE, MISSOURI TO ISSUE TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,500,000 IN CONNECTION WITH THE HUB REDEVELOPMENT PROJECT; AND AUTHORIZING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Independence, Missouri (the “City”) is a constitutional charter city and municipal corporation of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and,

WHEREAS, the City is authorized under the provisions of Article VI, Section 27 of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), to purchase, construct, extend and improve certain projects (as defined in the Act) for the purposes set forth in the Act and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City shall deem advisable; and,

WHEREAS, T-L HUB, LLC (the “Developer”) has applied to the City for an incentive package that includes tax increment financing, special district sales tax revenues and the issuance of taxable industrial development revenue bonds to provide for the incentives described in the Plan (defined below) with respect to a project situated on approximately 16 acres of property plus adjacent street right of way located south of East 23rd Street and west of Route 291 (as currently developed, the “Site”) at the existing location of the HUB shopping center and consisting of remodeling and/or tearing down portions of the blighted buildings located on the Site and redeveloping the Site into a remodeled and newly constructed grocery-anchored shopping center development through remodeling of a portion of the existing improvements, demolition of a portion of the existing improvements, and construction of new commercial uses such as retail, restaurants and other uses, plus related street and other public improvements (the “Project”); and,

WHEREAS, the Developer’s application was considered by the Independence Economic Development and Incentives Commission (the “EDIC”) at a meeting of the EDIC held on May 23, 2023; and,

WHEREAS, the EDIC, has recommended approval of the application to City Council; and,

WHEREAS, the City, in accordance with Section 100.050 of the Act, prepared a plan for an industrial development project (the “Plan”), gave notice of the Plan by overnight delivery to the taxing jurisdictions in accordance with Section 100.059.1 of the Act, and held a public hearing regarding the Plan on June 5, 2023; and,

WHEREAS, the City now desires to approve the Plan; and,

WHEREAS, the City desires to finance costs of the Project out of the proceeds of industrial development revenue bonds to be issued under the Act (the “Bonds”); and,

WHEREAS, the City has and does hereby find and determine that it is desirable for the economic development of the City and within the public purposes of the Act that the City proceed with the approval of the Plan and the issuance of the Bonds for the purpose described above; and,

WHEREAS, Section 10.7 of the City Charter requires that all bonds sold by the City be sold at public sale upon sealed proposals after at least ten days’ notice in a newspaper of general circulation in the City; and,

WHEREAS, a notice of sale was published in *The Examiner* inviting potential bond purchasers to submit bids for the Bonds and the City has received a single bid for the Bonds, which was delivered by the Developer; and,

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with approval of the Plan and the issuance of the Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

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

SECTION 1. Promotion of Economic Development; Approval of Plan. The Council hereby finds and determines that the Project will promote the economic welfare and the development of the City, and the issuance of the Bonds by the City to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act. The Council hereby approves the Plan attached hereto as **Exhibit A** in accordance with Section 100.050 of the Act.

SECTION 2. Authorization and Sale of the Bonds; Acceptance of Bid. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (HUB Redevelopment Project), in an aggregate principal amount not to exceed \$27,500,000, for the purpose of providing sales tax exemption on construction materials and the limited tax abatement set out in the Plan. The Bonds shall be issued and secured pursuant to the herein authorized Trust Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rate, shall be in such form, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the Trust Indenture upon the execution thereof, and the signatures of the officers of the City executing the Trust Indenture shall constitute conclusive evidence of their approval and the City’s approval thereof. The City hereby accepts the bid received from the Developer for the sale of the Bonds. The sale of the Bonds to the Developer or its designee(s), as the winning bidder at the public sale, at the interest rate set forth in the winning bid and upon the terms set forth in the Trust Indenture is hereby approved.

SECTION 3. Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of the payments, revenues and receipts derived by the City from the herein authorized Lease Agreement, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Trust Indenture. The Bonds and the interest thereon shall not be deemed to constitute a debt or liability of the City within the meaning of any constitutional provision, statutory limitation or City Charter provision and shall not constitute a pledge of the full faith and credit of the City. The issuance of the Bonds shall not, directly,

indirectly or contingently, obligate the City to levy any form of taxation therefore or to make any appropriation for their payment.

SECTION 4. Approval and Authorization of Documents. The following documents (the “City Documents”) are hereby approved in substantially the forms presented to the Council at this meeting (copies of which documents shall be filed in the records of the City), and the City is hereby authorized to execute and deliver the City Documents with such changes therein as shall be approved by the officials of the City executing such documents, such officials’ signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture dated as of the date set forth therein (the “Trust Indenture”), between the City and UMB Bank, N.A., as trustee (the “Trustee”), pursuant to which the Bonds shall be issued and the City shall pledge and assign the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Trust Indenture;

(b) Lease Agreement dated as of the date set forth therein (the “Lease Agreement”), between the City and the Developer, under which the City will provide funds for the construction and improvement of the Project and lease the Project to the Developer pursuant to the terms and conditions in the Lease Agreement, in consideration of rental payments by the Developer which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds and certain payments in lieu of taxes; and

(c) Bond Purchase Agreement dated as of the date set forth therein, between the City and the Developer, pursuant to which the Developer agrees to purchase the Bonds.

SECTION 5. Execution of Documents. The Mayor or City Manager of the City is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Trust Indenture. The Mayor or City Manager of the City is hereby authorized and directed to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk of the City is hereby authorized and directed to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

SECTION 6. Further Authority. The Mayor, City Manager, City Clerk and other officials, agents and employees of the City as required are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents, including but not limited to the execution of any financing documents in accordance with the Leases and a sales tax exemption agreement in connection with any request by the Developer to issue a sales tax exemption certificate for the purchase of construction materials prior to the issuance of the Bonds.

SECTION 7. Effective Date. This Ordinance shall take effect and be in full force as set forth in the City Charter.

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PASSED ON THIS _____ DAY OF _____, 2023, BY THE CITY COUNCIL OF
THE CITY OF INDEPENDENCE, MISSOURI.

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

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY:

City Counselor

REVIEWED BY:

City Manager

EXHIBIT A

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT