

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 211016 AS AMENDED

Approving an Industrial Development Plan for Fidelity Security Life Insurance Company, Inc., a Missouri insurance company, and its affiliates or designees, for the purpose of acquiring, equipping and constructing a project for industrial development consisting of the construction, improvement and renovation of a headquarters facility for Fidelity Security Life Insurance Company, Inc., a Missouri insurance company, and its affiliates and designees, located at the intersection of 27th Street and Grand Boulevard in Kansas City, Missouri; authorizing and approving various agreements for the purpose of setting forth covenants, agreements and obligations of the City and Fidelity Security Life Insurance Company, Inc., and its affiliates or designees; authorizing the issuance of taxable industrial development review bonds in a maximum aggregate principal amount not to exceed \$84,000,000.00; authorizing and approving certain other documents; and authorizing certain other actions in connection with the issuance of said bonds.

WHEREAS, the City of Kansas City, Missouri, a constitutional charter city and municipal corporation of the State of Missouri (the "City") is authorized pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, as amended, and Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and the City of Kansas City Charter (collectively, the "Act"), to issue its revenue bonds for carrying out a project or projects under the Act, such revenue bonds to be paid solely from revenue received from such project, and to enter into a lease of certain property associated with the project to be financed with the proceeds of such revenue bonds with any person, firm or corporation; and

WHEREAS, the City has heretofore prepared and approved plans for the industrial development of the City and desires to approve an Industrial Development Plan (the "Plan") for the purpose of carrying out a development project (the "Project") for Fidelity Security Life Insurance Company, Inc., and its affiliates or designees (collectively, the "Company"); and

WHEREAS, the City intends to issue its Taxable Industrial Development Revenue Bonds (Fidelity Security Life Insurance Company, Inc. Project) (the "Bonds") in one or more series for the purpose of furthering the Project located at a site at the intersection of 27th Street and Grand Boulevard, Kansas City, Missouri (the "Project Site"); and

WHEREAS, pursuant to the City's direction to utilize Chapter 100 procedures for the Bonds and the Project, notice of the Project was given to the taxing jurisdictions in accordance with the procedures set forth in Section 100.059.1 of the Revised Statutes of Missouri; and

WHEREAS, the City Council has heretofore 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 Council approve a Chapter 100 Industrial Development Plan as proposed by the Company; and that the City issue the Bonds, as more fully described in the Indenture and in the Lease, as hereinafter defined and authorized, proceeds of which shall be used for the lease and construction of certain real property associated with the Project and which shall be located at the Project Site and conveyed to the City from CC main Property Holding, LLC (the "Project Site Owner") and leased from the City by the Company, with an option to purchase; and

WHEREAS, the principal amount of the Bonds will be issued in one or more series of taxable Chapter 100 industrial development bonds over a period of not to exceed fifteen (15) years following the issuance of each respective series, with not to exceed fifteen (15) years of real property ad valorem tax abatement at: (1) seventy percent (70%) for the first ten (10) years, and (2) thirty percent (30%) for the next succeeding five (5) years to the affected taxing jurisdictions during the term of the Bonds, which Bonds will be repaid solely by the Company under the terms of the Lease; and

WHEREAS, for a Chapter 100 bond issuance, the City Council has previously established a policy (Ordinance No. 041033) for the review and approval of such projects, one component of which suggests a maximum bond term of ten (10) years and another of which suggests payments-in-lieu of taxes (PILOTS) at a level of no less than fifty percent (50%) of the amount that would have been paid to the affected taxing jurisdictions on the property if it had been fully taxed during the term of the bonds, which policy the City hereby directs also be applied to bonds issued under the Constitutional Provisions, one component of which suggests a maximum bond term of 10 years; and

WHEREAS, the City Council has previously established a policy (Ordinance No. 160383) capping the amount of real property tax abatement for Chapter 100 projects at fifty percent (50%) for ten (10) years, which policy the City hereby directs also be applied to bonds issued under the Constitutional Provisions;

WHEREAS, the Council wishes in this instance to waive: (i) its Chapter 100 policy suggesting the maximum abatement period; and (ii) its Chapter 100 policy suggesting the minimum PILOT payment on behalf of the Project, and

WHEREAS, the Company has agreed to maintain certain levels of retained and/or created jobs/payroll in conjunction with the Project as required by City Council policy (which agreement will be memorialized in the Lease); and

WHEREAS, the principal amount of the Bonds will be advanced over a period of not to exceed fifteen (15) years following the commencement of the Project, and such property will be leased by the City to the Company for a period not to exceed fifteen (15) years, commencing in the year of the first conveyance of such property to be financed by the Bonds to the City (subject to earlier termination as provided in the Lease); and

WHEREAS, the City finds and determines that it is necessary and desirable in connection with the Project to establish: (1) a 70% abatement of *ad valorem* real property taxes of the Project for the first ten (10) years following the commencement of the Project, with annual payments-in-lieu-of-taxes (PILOTS) equal to 30% of the real property taxes to the affected taxing jurisdictions that would have been payable had the real property been fully taxed; (2) a 30% abatement of *ad valorem* real property taxes of each phase of the Project for the next five (5) years, with annual payments-in-lieu-of-taxes (PILOTS) equal to 70% of the real property taxes to the affected taxing jurisdictions that would have been payable had the real property been fully taxed, all as described in the Plan; and (3) a sales tax exemption for construction materials purchased with the proceeds of the Bonds; and

WHEREAS, the City further finds and determines that it is necessary and desirable in connection with the Project 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 COUNCIL OF KANSAS CITY:

Section 1. Approval of Plan. The City Council hereby finds and determines that the Project will promote the economic well-being and industrial development of the City and the Project will be in furtherance of the public purposes set forth in the Act. The City Council hereby approves the Plan for the Project, which includes the following provisions:

(a) Construction, improvement and renovation of a headquarters facility for the Company, consisting of approximately 160,400 square feet of office space and a 400-space structured parking garage;

(b) A total estimated project cost of approximately \$84,000,000.00 to fund the construction, improvement and renovation of the Project; and

(c) The costs for the real property will be funded from proceeds of the sale of up to \$84,000,000.00 maximum principal amount of Taxable Industrial Development Revenue Bonds to be issued by the City and purchased by the Company or other purchaser designated by the Company.

Section 2. Authorization of Documents. The City is hereby authorized to enter into the following documents (the "City Documents"), in such form 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) One or more Trust Indentures (collectively, the "Indenture"), between the City and the trustee named therein (the "Trustee"), pursuant to which the Bonds shall be issued and the City shall pledge the Project and assign certain of the payments, revenues and receipts received pursuant to the Lease to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in the Indenture;

(b) One or more Lease Agreements (collectively, the "Lease"), between the Company, the City and/or the Project Site Owner, under which the City will acquire the Project and will lease the Project to the Company pursuant to the terms and conditions in said Lease, in consideration of rental payments by the Company which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds;

(c) Purchase Agreements, as defined below, under which the purchaser named therein agrees to purchase the Bonds; and

(d) Pre-Development Agreement, but only following the successful negotiation by the City of retained and/or created jobs/payroll in conjunction with the Project, which Pre-Development Agreement will provide for the issuance of a sales tax exemption certificate by the City to the Company prior to the issuance of the Bonds but in no event will such sales tax exemption certificate be issued until the re-zoning of the Project Site to UR Zoning or of a development plan is approved by the City Council in compliance with Chapter 88 of the City's Code of Ordinances.

Section 3. Authorization of the Bonds. The City is hereby authorized to issue and sell its Taxable Industrial Development Revenue Bonds (Fidelity Security Life Insurance Company, Inc. Project), in one or more series, in a maximum principal amount not to exceed \$84,000,000.00, for the purpose of providing funds for certain real property associated with the Project ; provided, however, that no Bonds shall be issued prior to the approval of the re-zoning of the Project Site to UR Zoning or of a development plan by the City Council in compliance with Chapter 88 of the City's Code of Ordinances. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the Indenture.

Section 4. Issuance of First Series of Bonds. The first series of Bonds approved by the City under this ordinance must be issued no later than one (1) year following the date of the final authentication and approval of this Ordinance by the City; provided, however, that no Bonds shall be issued prior to the approval of the re-zoning of the Project Site to UR Zoning or of a development plan by the City Council in compliance with Chapter 88 of the City's Code of Ordinances.

Section 5. Sale and Terms of Bonds; Authorization and Execution of Bond Purchase Agreement. The Bonds will be sold to the Company or other purchaser under the terms of one or more Bond Purchase Agreements, between the City and the Company or other purchaser identified therein (collectively, the "Purchase Agreements"). The maximum aggregate principal amount of the Bonds shall be \$84,000,000.00; the interest rate on the Bonds shall not exceed five point zero percent (5.0%); principal shall be payable at maturity; and the maturity date of the Bonds will be consistent with the term of the *ad valorem* real property tax abatement, but in no event shall the final maturity date of the Bonds be later than December 1, 2040; provided that, no series of Bonds shall remain outstanding for longer than fifteen (15) years after the issuance of such series; the Bonds shall be purchased at one hundred percent (100%) of the principal amount thereof; and the Bonds may be redeemed at any time at a redemption price equal to the principal amount thereof plus accrued interest. The Director of Finance or the City Treasurer is each authorized to execute the Purchase Agreement for and on behalf of and as the act and deed of the City.

Section 6. Limitation on Liability. The Bonds and the interest thereon shall be limited obligations of the City payable solely out of certain payments, revenues and receipts derived by the City from the Lease described herein, 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 Indenture. The Bonds and the interest thereon shall not constitute indebtedness within the meaning

of any constitutional or statutory debt limitation or restriction, and are not payable in any manner by taxation.

Section 7. Creation of Bond Fund. The City is hereby authorized to establish with the Trustee pursuant to the Indenture, a special trust fund in the name of the City to be designated the "City of Kansas City, Missouri, Bond Fund – Fidelity Security Life Insurance Company, Inc. Project," and the City shall cause all sums required by the Indenture to be deposited therein and shall create all accounts therein required by the Indenture.

Section 8. Execution of Documents. The Mayor 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 Indenture. The Director of Finance 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 or a deputy City Clerk, of the City is hereby authorized and directed to attest to and affix the seal of the City of the Bonds and the City 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 9. Further Authority. The Mayor, Director of Finance 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, the City Documents, and tax redirection.

Section 10. City Council Consideration. The City Council will carefully consider how the Project relates to existing plans, policy goals, and community impacts based on staff report presented to City Council prior to the approval of rezoning of Project Site to UR Zoning.

Approved as to form and legality:



Authenticated as Passed



Quinton Lucas, Mayor



Marilyn Sanders, City Clerk

DEC 09 2021

Date Passed

 for

Katherine Chandler
Assistant City Attorney