

BILL NO. 21-08

RESOLUTION NO. _____

RESOLUTION OF OFFICIAL INTENT OF THE CITY OF CAPE GIRARDEAU, MISSOURI, TOWARD THE ISSUANCE OF INDUSTRIAL REVENUE BONDS TO FINANCE AN INDUSTRIAL DEVELOPMENT PROJECT AND AUTHORIZING CERTAIN ACTIONS RELATING THERETO.

WHEREAS, the City of Cape Girardeau, Missouri (the “City”), is authorized and empowered under the provisions of Article VI, Section 27(b) of the Missouri Constitution, as amended, Sections 100.010 to 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the “Act”), and its City Charter 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 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 deems advisable; and

WHEREAS, Chief Property Development, LLC, a Missouri limited liability company (the “Company”), has requested that the City (1) issue its industrial revenue bonds in an approximate principal amount of \$10,000,000 (the “Bonds”) to provide funds to pay certain costs of acquiring and constructing a commercial building to be used for classrooms and other purposes (the “Project Improvements”) to be located at 340 S. Frederick Street in the City (the “Project Site” and, together with the Project Improvements, the “Project”); and

WHEREAS, the Bonds will be payable solely out of payments, revenues and receipts derived from the lease of the Project by the City to the Company; and

WHEREAS, the Company will sublease the Project to Southeast Missouri State University to enable the Department of Art & Design to provide expanded opportunities for students and to expand the presence of the River Campus; and

WHEREAS, the City has determined that it is necessary and desirable to declare the official intent of the City to finance the costs of the Project from the proceeds of the Bonds, subject to certain terms and conditions set forth in this Resolution; and

WHEREAS, the Act requires the City to prepare a plan in connection with any industrial development project proposed to be undertaken pursuant to the Act; and

WHEREAS, a Plan for an Industrial Development Project and Cost/Benefit Analysis for the Project (the “Plan”) has been prepared; and

WHEREAS, the Act requires the City Council, not less than 20 days before the City Council’s approval of the Plan, to provide notice thereof to all affected cities, fire protection districts, ambulance districts, school districts, community college districts and counties;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CAPE GIRARDEAU, MISSOURI, AS FOLLOWS:

Section 1. Finding of Public Benefit. The City Council hereby finds and determines that the Project will promote the economic well-being and development of the City and the taxing districts encompassing the area of the Project, and that the issuance of the Bonds to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act.

Section 2. Declaration of Intent. The City Council hereby declares the intent of the City to issue the Bonds to provide funds to finance the costs of the Project, subject to the conditions set forth in this Resolution.

Section 3. Limited Obligations. The Bonds shall be limited special revenue obligations payable solely out of payments, revenues and receipts derived from the lease of the Project by the City to the Company. The Bonds and the interest thereon shall not be a debt of the City or the State of Missouri, and neither the City nor the State shall be liable thereon, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

Section 4. Conditions to Issuance of Bonds. This Resolution constitutes a statement of intent of the City Council to provide 15 years of tax abatement for each phase of the Project. The issuance of the Bonds and the execution and delivery of any documents related to financing the Project are subject, in the sole discretion of the City, to the following conditions:

- (a) approval by the City Council of the Plan, in substantially the form of **Exhibit A** hereto;
- (b) authorization by ordinance of the City Council;
- (c) obtaining any other necessary governmental approvals for the Project;
- (d) agreement by the City and the Company on (1) mutually acceptable terms for the Bonds and for the sale and delivery thereof and (2) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; and
- (e) receipt by the City of satisfactory indemnification for all matters relating to the Project.

Section 5. Reimbursement for Project Costs. The Company is hereby authorized to proceed with the purchase and construction of the Project, including the entering of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish those purposes. If the Bonds are issued, the Company may be reimbursed solely out of the proceeds thereof for expenditures paid or incurred in connection with the Project.

Section 6. Sales Tax Relief. The City will provide a sales tax certificate (the "Certificate") for the purpose of enabling the Company to obtain sales tax exemption on all construction materials for the Project Improvements, upon the Company's agreement to fully indemnify and protect the City from any judgments or actions arising from the use of the Certificate if the City does not issue the Bonds for any reason.

Section 7. Notice to Taxing Districts. The City Clerk, on behalf of the City Council, shall send such notices as are required by the Act in connection with the issuance of the Bonds.

Section 8. Preparation of Documents. The City Attorney and Gilmore & Bell, P.C., as Bond Counsel, and the officers, employees and representatives of the City, are hereby authorized to work

with the Company, its counsel and others to prepare for submission to and final action by the City Council all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder in connection with the financing of the Project.

Section 9. Further Authority. The City hereby authorizes and empowers the officers and representatives of the City to do all such acts and things and to execute, acknowledge and deliver all such documents as may in their discretion be deemed necessary or desirable to carry out or comply with the terms and provisions of this Resolution in connection with the structure and sale of the Bonds. All of the acts and undertakings of such officers and representatives that are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved.

Section 10. Cancellation. If for any reason the Bonds are not issued within six months after the date of adoption of this Resolution, this Resolution shall be deemed canceled, and neither party will thereafter have any rights under this Resolution against the other, except that the Company shall reimburse the City for all fees and out-of-pocket expenses incurred by the City and Bond Counsel in connection with the Project.

Section 11. Effective Date. This Resolution shall be in full force and effect from and after its passage by the City Council.

PASSED AND APPROVED by the City Council this 19th day of January, 2021.

(SEAL)

Bob Fox, Mayor

ATTEST:

Gayle L. Conrad, City Clerk

EXHIBIT A

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT AND COST/BENEFIT ANALYSIS