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ORDINANCE NO. 2163

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION TAX INCREMENT AND CID REVENUE BONDS (HOMESTEAD LANE RETAIL DISTRICT) SERIES 2024 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,350,000 OF THE CITY OF EDGERTON, KANSAS, FOR THE PURPOSE OF FUNDING AND/OR REFINANCING THE COSTS OF A PROJECT; AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Edgerton, Kansas (the “City”), is a municipal corporation organized and existing pursuant to the laws of the State of Kansas;

WHEREAS, on August 22, 2019, the City passed Ordinance No. 2021 establishing a Redevelopment District generally located along Homestead Lane and north of Interstate 35 in the City (the “Redevelopment District”);

WHEREAS, on July 9, 2020, the City passed Ordinance No. 2041 which approved Project Plan A1 on an approximately 12-acre site on the east side of Homestead Lane within the Redevelopment District (the “Project Plan A1”). Project Plan A1 is described in the Disposition and Development Agreement dated September 1, 2020, as amended, between the City and My Store III Inc., a Kansas corporation (the “Project Plan A1 Development Agreement”);

WHEREAS, on November 18, 2021, the City passed Ordinance No. 2099 which approved Project Plan B1 on an approximately 42-acre site at the southwest corner of Homestead Lane and 199th Street within the Redevelopment District (the “Project Plan B1”). Project Plan B1 is described in the Disposition and Development Agreement dated December 1, 2021, as amended, between the City and Woodstone Properties, LLC, a Missouri limited liability company (the “Project Plan B1 Development Agreement”);

WHEREAS, on September 24, 2020, the City passed Ordinance No. 2048 (the “CID Ordinance”) creating a community improvement district known as the On The Go Travel Plaza Community Improvement District (the “CID”), imposing a community improvement district sales tax in the amount of one percent (1.0%), for the purpose of financing certain public infrastructure improvements in, adjacent to, and for the benefit of the CID;

WHEREAS, Project Plan A1, Project Plan A2 and the CID Ordinance all describe a City project that consists of public infrastructure improvements to Homestead Lane within the Redevelopment District, including a new interchange (the “Project”);

WHEREAS, K.S.A. 12-1774(a) authorizes the City to issue special obligation bonds to finance the undertaking of any redevelopment project, and to pledge the tax increments to the repayment of the special obligation bonds;

WHEREAS, K.S.A. 12-6a35(a) authorizes the City to issue special obligation bonds to finance any community improvement district project, and to pledge the community improvement district sales tax to the repayment of the special obligation bonds;

WHEREAS, the City has determined that it is in the best interest of the City to issue a maximum principal amount of \$1,350,000 Special Obligation Tax Increment and CID Revenue Bonds (Homestead Lane Retail District), Series 2024 (the “Bonds”);

WHEREAS, the governing body of the City further finds and determines that it is necessary and desirable in connection with the issuance of these Bonds that the City enter into certain agreements, 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 GOVERNING BODY OF THE CITY OF EDGERTON, KANSAS, AS FOLLOWS:

Section 1. The Project. The Governing Body finds that Project Plan A1, Project Plan B1 and the CID Ordinance all describe a City project that consists of public infrastructure improvements to Homestead Lane within the Redevelopment District, including a new interchange (the “Project”). The City has incurred significant expense for the Project. The City desires to issue the Bonds to reimburse the City for the expense of the Project and to make funds available to continue the Project. The Governing Body has reviewed the Project Certificate (hereafter defined) and finds that the Project Certificate is accurate.

Section 2. Bond Authority. The issuance of the Bonds is authorized by and will be in compliance with both K.S.A. 12-1774(a) and K.S.A. 12-6a35(a). To the extent a single series of Bonds may not be combined under both of these sections, the Governing Body finds and determines that the Bonds are authorized pursuant to the City’s home rule powers found in Article 12, Section 5 of the Kansas Constitution.

Section 3. Authorization of the Bonds. The City is hereby authorized to issue and sell the Bonds and use the proceeds to pay for or reimburse the costs of the Project, fund a debt service reserve fund, and to pay certain issuance costs related to the Bonds. The Bonds (i) shall be issued in a principal amount of not to exceed \$1,350,000, (ii) shall bear interest at various coupon rates not to exceed 6.75%, (iii) shall have a final maturity not later than 2044, (iv) shall be sold in a public offering by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), and (v) shall be subject to optional prepayment at the option of the City no later than 2034 in whole or in part at any time at 100% of the principal amount thereof, plus interest accrued thereon to the prepayment date. The final terms of the Bonds shall be specified in the Indenture and the Purchase Agreement described herein upon the execution thereof, and the signatures of the Mayor when executing the City Documents (hereafter defined) shall constitute conclusive evidence of the Mayor’s approval and the City’s approval thereof.

The Bonds, together with interest thereon and premium, if any, are not general obligations of the City but are limited obligations payable solely from the trust estate pledged to the payment thereof under the Indenture and shall be a valid claim of the respective holders thereof only against the trust estate and other moneys held by the Trustee and the revenues so pledged as aforesaid. In no event shall the Bonds be payable out of any funds or properties other than those pledged or acquired under the Indenture (hereafter defined), and the Bonds shall not be deemed to constitute a debt or liability of the City, the State of Kansas, or of any political subdivision thereof and the issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State of Kansas or any political subdivision thereof to levy any form of taxation therefor or to budget or make any appropriation for their payment. Nothing in the Bonds, the Indenture, the proceedings of the City authorizing the Bonds or Kansas statutes shall be construed to be a debt or loan of credit of the City, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. Authorization and Approval of Documents. The following documents (the “City Documents”) are hereby approved in substantially the forms presented to and reviewed by the Governing Body of the City at this meeting (copies of which documents, upon execution thereof, shall be filed in the office of the City Clerk), and the City is hereby authorized to execute and deliver each such document with such changes therein as shall be approved by the officers of the City executing such documents, such officers’ signatures thereon being conclusive evidence of their approval thereof:

- (a) Trust Indenture dated as of August 1, 2024 (the “Indenture”), between the City and UMB Bank, N.A., as trustee (the “Trustee”);
- (b) Bond Purchase Agreement dated the date of execution thereof (the “Purchase Agreement”), between the City and the Underwriter;
- (c) Continuing Disclosure Undertaking dated the date of execution thereof, delivered by the City for the benefit of the owners of the Bonds;
- (d) Tax Compliance Agreement dated as of August 1, 2024 (the “Tax Agreement”), between the City and the Trustee, containing certain covenants and restrictions relating to the Bonds and the use of proceeds of the Bonds; and
- (e) City’s Certificate Regarding Homestead Lane Project Costs dated the date of execution thereof, to be delivered by the City (the “Project Certificate”).

Section 5. Approval of Use of Official Statement. The City hereby approves the use of the Preliminary Official Statement, from which a final Official Statement shall be drafted (collectively, the “Official Statement”), in connection with the sale of the Bonds, in substantially the form presented to the City, with such changes therein as shall be necessary to provide for the execution of such document by the City, such officer's signature thereon being conclusive evidence of their approval and the City’s approval thereof.

The Official Statement and the use and distribution thereof by the Underwriter is hereby approved. For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(I) of the Securities and Exchange Commission (the "Rule"), the Mayor is hereby authorized and directed to deem the Official Statement to be "final" as of its respective date, except for the omission of such information as is permitted by the Rule, and, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as the Mayor in his reasonable judgment deems necessary to enable the Underwriter to comply with the requirements of such Rule.

Section 6. Execution of Bonds and 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 Mayor 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 is hereby authorized and directed to attest to and affix the seal of the City to the Bonds, the City Documents and such other documents, certificates and instruments as may be necessary.

Section 7. Security for the Bonds. The City shall deposit the Revenues (as defined in the Indenture) into the Revenue Fund (as defined in the Indenture). The moneys and securities now or hereafter held in, and moneys and securities to be deposited in the Revenue Fund and all interest and earnings thereon and proceeds thereof are hereby pledged to secure the payment of the Bonds. The moneys in the Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Ordinance and the Indenture. The Revenues shall be determined and collected in the manner provided by law and as provided in the Indenture.

Section 8. Tax Covenants. The City covenants and agrees that (a) it will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including *Sections 103 and 141 through 150*, necessary to maintain the exclusion from federal gross income of the interest on the Bonds; and (b) it will not use or permit the use of any proceeds of the Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

Section 9. CID Ordinance. Section 3(b) of the CID Ordinance is hereby amended to read as follows:

(b) There will be no issuance of full faith and credit bonds pursuant to the Act.

Section 10. Further Authority. The City shall, and the officers, employees and agents of the City are hereby authorized and directed to, take such action, expend such funds 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, agreements with respect to the investment of funds held under the Indenture.

Section 11. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval and publication in summary form in the official City newspaper.

PASSED by the Governing Body of the City of Edgerton, Kansas, this 25th day of July, 2024.

/s/

Donald Roberts, Mayor

[SEAL]

ATTEST:

/s/

Alexandria Clower, City Clerk

Approved as to form:

/s/

Scott W. Anderson, Bond Counsel