

# **RESOLUTION AUTHORIZING THE PREPAYMENT OF RENTALS UNDER THE 2013 LEASE BETWEEN UMB BANK, AS LESSOR, AND THE TOWN, AS LESSEE**

MAY 6, 2025



# BACKGROUND

- Town Council adopted Ordinance No. 2013-022 authorizing the execution and delivery of certificates of participation pursuant to a lease transaction between UMB Bank, as lessor, and the Town, as lessee, to finance the construction of the Miller Activity Complex.
- This Ordinance authorized the execution of two leases:
  - A Site Lease whereby the Town leased certain Town-owned real property and the buildings and improvements located thereon to UMB Bank; and
  - A Facilities Lease whereby UMB Bank leased back to the Town UMB Bank's leasehold interest in the leased property.
- The Town agreed to make yearly rental payments to UMB Bank, subject to the annual appropriation of funds by Town Council.

# CERTIFICATES OF PARTICIPATION

- Upon execution of the Site Lease and the Facilities Lease, UMB Bank executed and delivered an Indenture of Trust, by which it authorized the issuance and sale of Certificates of Participation in the principal amount of \$9,245,000 (the “2013 COP’s”) .
- As trustee, UMB Bank uses the revenues generated from the Town’s rental payments to pay the holders of the 2013 COP’s.
- The Town has used the net proceeds received from the sale of the 2013 COP’s to help finance the construction of the Miller Activity Complex.
- Under the Facilities Lease, the Town has the option to purchase the leased property for an amount equal to the outstanding principal and interest on the 2013 COP’s, which amount will, in turn, be used by the trustee to prepay the holders of the 2013 COP’s.

# REASON FOR THE RESOLUTION

- The Town has been in negotiations with CD-Acme, LLC, the developer of the Brickyard Project, regarding the construction of the Sports Development Center, an approximately 145,177-square foot recreation facility with associated on-site utilities, infrastructure, landscaping, and parking.
- The Town intends to finance approximately \$75,000,000 to pay the costs associated with constructing the Center through the issuance of tax-exempt certificates of participation (COP's).
- To give the Town additional flexibility to undertake this financing, Town staff recommends that the Town exercise its option under the Facilities Lease to purchase the leased property for the applicable purchase option price (i.e., \$5,292,613).





“I MOVE TO APPROVE RESOLUTION NO. 2025-058 AS INTRODUCED BY TITLE.”

“I MOVE TO APPROVE RESOLUTION NO. 2025-058 AS INTRODUCED BY TITLE, WITH THE FOLLOWING CONDITIONS: \_\_\_\_\_.”

“I MOVE TO CONTINUE RESOLUTION NO. 2025-058 TO THE TOWN COUNCIL MEETING ON \_\_\_\_\_.”