

ORDINANCE NO. 051192

Authorizing the Director of Finance to accept the proposal of Koch Financial Corporation to provide funds for the acquisition, installation and construction of various real property, capital equipment and other personal property and to execute any and all documents and agreements necessary for the transactions under one or more master lease purchase agreements, ground lease agreements and lease purchase agreements.

WHEREAS, the City requires the use of real property, capital equipment and other personal property, including without limitation software (collectively, "Leased Property"), for the efficient execution of the responsibilities of various departments; and

WHEREAS, it is essential that the City have the ability to acquire, install and construct the Leased Property in a timely manner in order to improve the efficiency, effectiveness and productivity of the City; and

WHEREAS, funds to pay for the acquisition, installation and construction of the Leased Property can be provided by one or more master lease purchase agreements or ground lease agreements and/or discrete lease purchase agreements, the payment of which will be made by appropriations in the various departmental budgets over two to ten year periods; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the Director of Finance is authorized to accept the proposal of Koch Financial Corporation ("Koch") for paying the costs of the acquisition, installation and construction of various Leased Property using the City documents in substantially the forms made available for inspection by the Council at the time this ordinance is passed, with such changes therein as shall be approved by the Director of Finance:

(a) Master Lease Purchase Agreement ("General Fund Lease"), the proceeds of which will be used to purchase Leased Property consisting of personal property for general City uses, other than for use by the water system or sanitary sewer system.

(b) Master Lease Purchase Agreement ("Water Fund Lease"), the proceeds of which will be used to purchase Leased Property consisting of personal property for use by the water department, and will be payable only from net revenues of the City's water system that have been credited to the surplus account of the water system.

(c) Master Lease Purchase Agreement ("Sanitary Sewer Fund Lease"), the proceeds of which will be used to purchase Leased Property consisting of personal property for use by the sewer department, and will be payable only from net revenues of the City's sanitary sewer system that have been credited to the surplus account of the sanitary sewer system.

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(d) Ground Lease Agreement pursuant to which the City will lease certain real property to Koch and Lease Purchase Agreement pursuant to which Koch will lease the real property together with improvements thereon paid for with the proceeds of the lease purchase agreement to the City with an option to purchase. These documents may be used to provide funds for (i) general City real property improvements, (ii) water system real property improvements, with rental payable only from net revenues of the City's water system that have been credited to the surplus account of the water system, and (iii) sanitary sewer system real property improvements, with rental payable only from net revenues of the City's sanitary sewer system that have been credited to the surplus account of the sanitary sewer system. Appropriate changes will be made to these documents depending on the purpose and source of payment.

Section 2. That the master lease purchase agreement and lease agreement shall have an initial term beginning October 15, 2005 to April 30, 2006 with options to renew for four (4) additional one-year terms.

Section 3. That the Director of Finance is authorized to execute, deliver and file in the name of the City, the master lease purchase agreements, ground lease agreements, lease purchase agreements and any and all documents and agreements necessary to complete such transactions, including, without limitation and when appropriate, escrow trust agreements, schedules of property and certificates related to the master lease purchase agreements.

Section 4. That the City will, and the officials and agents of the City are hereby authorized and directed to, take such actions, 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 master lease purchase agreements, ground lease agreements, lease purchase agreements and the other documents authorized or approved hereby and the Leased Property.

Approved as to form and legality:

Heather A. Brown
Assistant City Attorney