



FOR IMMEDIATE RELEASE

City of University City
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UNIVERSITY CITY RESPONDS TO LAWSUIT CHALLENGING ANNEX AND TRINITY BUILDING RENOVATIONS

June 21, 2024, UNIVERSITY CITY – On June 13, 2024, two residents of University City filed a lawsuit against the City in St. Louis County Circuit Court challenging the Lease Purchase Agreement and related Series 2024 Certificates in the approximate amount of \$25.795 million that will finance the costs of renovating the City’s historic Annex and Trinity buildings located directly behind City Hall. Plans were approved by the University City City Council at its June 10th meeting. The Annex will be converted into a state-of-the-art police headquarters and Trinity will be converted into a multipurpose Municipal Court operations facility with areas for public use. Work on both buildings is expected to be completed in 2026.

The lawsuit claims that the Lease Purchase Agreement violates a City Charter provision that requires voter approval for any lease of the two City buildings being improved with the proceeds from the Series 2024 Certificates because the equipment being leased will be affixed to the buildings and therefore will be part of the buildings, despite the Lease Purchase Agreement expressly stating that the equipment is and will remain personal property and will not be considered affixed to or part of the real estate or buildings, and the Equipment is being leased by the Trustee to the City, so the City is not leasing Equipment, much less a building, to anyone.

The City strongly believes the lawsuit is without merit and intends to vigorously defend the planned project. Nevertheless, after consultation with the financing team – including the City’s bond counsel, Stifel, Nicolaus & Company, Incorporated, as underwriter (“Stifel”) and Stifel’s counsel – the City intends to revise the “Project” described in the Lease Purchase Agreement and the list of “Equipment” being leased as security for the Series 2024 Certificates. . While the City firmly believes that the current Lease Purchase Agreement complies with the City Charter provision at issue in the lawsuit, the list of “Equipment” will be revised to remove items alleged in the lawsuit to be affixed to buildings and to include items of personal property that unequivocally will not be affixed.

These minor changes will provide greater assurance to the Series 2024 Certificates holders that their investments are safe and minimize the financial harm caused to these historic renovation projects which will provide our Police Department and Court Division with a permanent home when completed. Additionally, various updates will be made to the associated legal documents approved by the June 10th ordinance.

To satisfy the procedural requirements of the City Charter, the City expects to have the first reading of an ordinance reaffirming the Series 2024 Certificates and revising the Lease Purchase Agreement on June 24, 2024, and final passage of that ordinance on July 2, 2024, which will necessitate extending the delivery date from June 25, 2024, to July 9, 2024.

The City intends to proceed with the delivery of the Series 2024 Certificates to finance improvements to the police department and municipal court facilities, which are critical to the City’s operations and the public’s use of these public facilities.

About University City: University City was incorporated on September 4, 1906, by founder Edward Gardner Lewis as a city of learning, culture, and beautiful neighborhoods. This diverse community of approximately 35,000 residents provides welcoming neighborhoods and thriving business districts and is a great place to live, learn, work, and be entertained. More information is available at www.ucitymo.org.

