



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 10/15/2019

DEPARTMENT: Resource Management

STAFF CONTACT: Dianna Wright/Emily Vincent

SUBJECT: Consideration of Ordinance No. 19-65 approving and authorizing the city of Olathe, KS to enter into an omnibus amendment of bond documents relating to its taxable industrial revenue bonds (Blackbob KC Self Storage, LTD. Project), Series 2018

ITEM DESCRIPTION:

Consideration of Ordinance No. 19-65 approving and authorizing the City of Olathe, KS to enter into an omnibus amendment of bond documents relating to its taxable industrial revenue bonds (Blackbob KC Self Storage, LTD. Project), Series 2018

SUMMARY:

The applicant (Blackbob KC Self Storage, LTD) has requested to extend the maturity date on their bond documents due to ongoing project construction. An omnibus amendment will apply to all related bond documents to extend the date.

The project was originally approved by City Council on April 17, 2018 when the City Council adopted Ordinance No. 18-15 (Attachment A), expressing the intent to issue an amount not to exceed \$3,780,000 of the City's taxable industrial revenue bonds ("bonds") for the construction of an approximate 122,000 sq. ft. self-storage building located north of 134th Place west of Blackbob Road.

The purpose of issuing the bonds was for the project to obtain a sales tax exemption on construction materials and equipment used to build the Project. There was no property tax abatement with this project.

The Company and Bond Owner have requested that the Issuer and Trustee consider amending the Indenture, the Lease Agreement, and other documents relating to the Bonds (collectively, the "Bond Documents") to extend the term of the Bond Documents and maturity of the Bonds to May 1, 2020. Ordinance No. 19-65 (Attachment B) will provide the approval and authorization for the City of Olathe to enter into an Omnibus Amendment of Bond Documents (Attachment C) The City's Bond Counsel has prepared an opinion letter that the Omnibus Amendment is authorized under the Indenture and state statute. (Attachment D)

FINANCIAL IMPACT:

None.

ACTION NEEDED:

Approve Ordinance No. 19-65 authorizing the City of Olathe to enter into an Omnibus Amendment of Bond Documents.

ATTACHMENT(S):

Attachment A: Ordinance No. 18-15 Attachment B: Ordinance No. 19-65 Attachment C: Omnibus Amendment of Bond Documents Attachment D: Bond Counsel Opinion Letter

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