Resolution of the City Council of the City of Chesterfield, Missouri Approving the Issuance of Revenue Bonds By The Industrial Development Authority of the City of Chesterfield, Missouri For the Benefit of Insituform Mid-America, Inc. and Authorizing the Mayor to Take Certain Actions with Respect Thereto.

Resolution Number 178

WHEREAS, The Industrial Development Authority of the City of Chesterfield, Missouri (the "Issuer"), has considered the request of Insituform Mid-America, Inc., a corporation, or one of its subsidiaries (the "Company"), for the issuance of up to $7,000,000 Revenue Bonds (Insituform Mid-America, Inc. Project), Series 1995 (the "Project Bonds") to assist the Company in financing the acquisition of land and an existing building, the renovation and equipping thereof and the construction and equipping of a new building thereon, located at 580 Goddard Avenue in the City of Chesterfield, Missouri. (the "Project"); and

WHEREAS, the Issuer will conduct a public hearing with respect to the issuance of the Project Bonds (the "Public Hearing") on February 22, 1995; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of the private activity bonds is located shall approve the issuance of such bonds; and

WHEREAS, the Project is located within the limits of the City of Chesterfield, Missouri and the City Council of Chesterfield (the "City Council") constitutes the elected legislative body of the City of Chesterfield, Missouri and the Mayor, its chief elected executive officer; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the Mayor, as the chief elected executive officer of the governmental unit having jurisdiction over the area in which the Project is located may approve the issuance of the Project Bonds following a public hearing and thereby fulfill the public approval requirements of Section 147(f) of the Code; and

WHEREAS, the Issuer recommends and has requested that the City Council approve the issuance of the Project Bonds;

NOW, THEREFORE, BE IT RESOLVED by the City Council, and it is HEREBY RESOLVED by the authority of the same, as follows:

1. The issuance of the Project Bonds by the Issuer for the benefit of the Company to assist in the financing of the Project

is hereby approved and the Mayor is authorized to the extent required by Section 147(f) of the Code to certify approval of the Project Bonds following the Public Hearing conducted by the Issuer, provided that no substantive objections to the issuance of Project Bonds are submitted at said hearing.

2. Such approval by the City Council does not constitute an endorsement to a prospective purchaser of the Project Bonds of the creditworthiness of the Company or the Project. The Project Bonds shall never constitute a general debt of the Issuer, or a debt, liability or obligation of the City of Chesterfield or the State of Missouri or any political subdivision thereof, or a pledge of the faith and credit or the taxing power of the City of Chesterfield or the State of Missouri or any political subdivision thereof, and no holders or owners of the Project Bonds shall ever have the right to compel any exercise of the taxing power of the City of Chesterfield, Missouri, nor to enforce the payment of such Project Bonds against any property of the City of Chesterfield, Missouri.

3. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 6TH day of February, 1995.

CITY COUNCIL OF CHESTERFIELD, MISSOURI

By: Jack Leonard

Its: Mayor

ATTEST:

Marsha L. DeMay

City Clerk

Applicable Elected Representative Approval

TO: The Industrial Development Authority of the City of Chesterfield, Missouri

RE: $7,000,000 The Industrial Development Authority of the City of Chesterfield, Missouri Revenue Bonds (Insituform Mid-America, Inc. Project), Series 1995

Dear Sirs:

Pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), including applicable United States Treasury regulations, the undersigned (the "applicable elected representative" within the meaning of said Section 147(f) of the Code), hereby approves the above-referenced issue (the "Issue") in the maximum aggregate principal amount up to $7,000,000 to be issued by The Industrial Development Authority of the City of Chesterfield, Missouri, the proceeds of which are to be used to make a loan to Insituform Mid-America, Inc. or one of its subsidiaries (the "Company"), to finance the acquisition of land and an existing building, the renovation and equipping thereof and the construction and equipping of a new facility thereon, located at 580 Goddard Avenue in the City of Chesterfield, Missouri (the "Project").

This approval is given following a public hearing held by The Industrial Development Authority of the City of Chesterfield, Missouri (the "Issuer") on February 22, 1995 in Chesterfield, Missouri 63017, following reasonable public notice published not less than fourteen days in advance of such hearing, is solely for the purposes of satisfying said Section 147(f) of the Code, is final and conclusive for such purpose, does not constitute an exercise of functions conferred by law upon the Issuer, and is given as of _____ day of _____, 1995.

Respectfully submitted,

_____

Title: Mayor

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RESOLUTION #178 - CCDC/IDA REQUEST

The Chesterfield Community Development Corporation, as well as Chesterfield's Industrial Development Authority (IDA), has requested that City Council approve the enclosed Resolution authorizing the CCDC to hold a public hearing on February 22, 1995, in connection with the possible issuance of bonds by the CCDC, totaling $7,000,000, to Insituform Mid-America, Inc.

City Council has taken similar action on several occasions in the past. If you have any questions, please contact me prior to Monday's meeting. Otherwise, I will submit this Resolution for your consideration/approval under my report at Monday's meeting.

ARMSTRONG, TEASDALE, SCHLAFLY & DAVIS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AND COUNSELORS
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(314) 621-5070
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James E. Mello

KANSAS CITY, MISSOURI
BELLEVILLE, ILLINOIS
OLATHE, KANSAS

February 1, 1995

BY FACSIMILE
537-4799

Mr. Michael G. Herring
City Administrator
City of Chesterfield
922 Roosevelt Parkway
Chesterfield, MO 63017

Re: Increase in the Amount of Issuance of Industrial Revenue Bonds for the Benefit of Insituform Mid-America, Inc.

Dear Mike:

Enclosed please find a letter to the City Council with Resolution and draft Certificate of Approval for the above referenced project. I would appreciate having the Resolution placed on the February 6th Council meeting agenda for consideration. As always, John Langa and myself will be available to answer any questions concerning the increase in issuance of these additional bonds. Additionally, representatives from the Company plan to be present at the Council meeting to answer any additional questions that might arise.

Thank you for your cooperation.

Sincerely,

James E. Mello

JEM/bg
Enclosure
cc: John Langa, Administrator (Fax 314-537-2400)
Claire Halpern, Bond Counsel
Douglas Beach, Esq.

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February 1, 1995

Honorable Mayor and City Council
City of Chesterfield, Missouri
922 Roosevelt Parkway
Chesterfield, MO 63017

Re: $7,000,000 Industrial Development Authority of the City of Chesterfield, Missouri Revenue Bonds (Insituform Mid-America, Inc.), Series 1995

Dear Sirs and Madams:

I am writing on behalf of the Chesterfield Community Development Corporation ("CCDC") in its role as the Chesterfield Industrial Development Authority to request that the City Council designate the CCDC as the local body charged with conducting a public hearing in connection with the possible issuance of bonds by the CCDC to assist in the financing of $7,000,000 Industrial Development Authority of the City of Chesterfield, Missouri Revenue Bonds (Insituform Mid-America, Inc.), Series 1995 (the "Bonds").

Insituform Mid-America, Inc. (the "Company") is an installer of various trenchless technologies for rehabilitation, new construction and improvement of pipeline systems. The Company has operated for a number of years in Chesterfield and is proposing, either through itself or one of its subsidiaries, to acquire certain real estate and existing improvements located thereon, to construct and equip a new facility on said real estate and to renovate the existing improvements in order to consolidate its current operation and provide for the installation of new and current equipment at that facility. The Company presently employs approximately 18 persons and with the expansion is expected to have continued growth and employment at its new location. The proposed Project site is located at 580 Goddard Avenue in the Chesterfield Valley. This investment in the Chesterfield Valley is significant and signals other potential manufacturers that this area of Chesterfield remains viable following the Flood of 1993.

You may recall that last August, 1994, the Company was induced and had a public hearing on the issuance of $3,500,000 in Industrial Revenue Bonds. Since that time, the Company has

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decided to increase the size of its building from 30,000 square feet to 67,500 square feet. The increase in facility is being used to add weaving and sewer line capacity. The addition to these production lines will necessitate an increase in the capital budget for machinery and equipment.

It should be noted that if this Project is funded, the CCDC, as Issuer, would generate a significant fee from this issuance which will be utilized to finance other economic development activities in the community.

As with our previous bond issues, the proposed financing for this Project to be issued by the CCDC would not constitute a debt or liability to the City of Chesterfield or the CCDC and neither the City or the CCDC is endorsing the creditworthiness of this project.

Before the CCDC, in its capacity as an Industrial Development Authority under Chapter 349, RSMo., may issue private activity bonds as tax exempt under the Internal Revenue Code of 1986, as amended, the City Council or its designee must conduct a hearing in accordance with Section 147(f) of the Code. Despite having conducted a hearing last year, the increase in the amount of issuance requires another public hearing be held. Because of the CCDC's direct involvement with the Company and their financial consultants relative to the proposed financing, we believe that it is appropriate that the CCDC conduct a hearing on behalf of the City.

In order to keep this transaction on schedule, the Company and the CCDC request that the City Council adopt the attached resolution which approves the Project financing subject to approval of the Mayor following the required public hearing scheduled for February 22, 1995. Attached is a draft of the approval to be given by the Mayor following the hearing.

Sincerely,

James E. Mello

2/1/95

JEM/bg
cc: John Langa, Administrator CCDC
Mike Herring, City Administrator
Claire Halpern, Bond Counsel
Douglas Beach, City Attorney

CERTIFICATE OF APPROVAL

ISSUER:	The Industrial Development Authority of the City of Chesterfield, Missouri
GOVERNMENTAL UNIT:	City of Chesterfield, Missouri
MAXIMUM AGGREGATE FACE AMOUNT OF BONDS REQUESTED:	$750,000
PROJECT OWNER:	Midco Products Co., Inc., a corporation
DESCRIPTION OF PROJECT:	The renovation of an existing building, located at 620 Spirit of St. Louis Boulevard in the City of Chesterfield, Missouri
PUBLIC HEARING DATE:	February 8, 1995
NEWSPAPER:	*St. Louis Post-Dispatch*
PUBLICATION DATE:	

I, Jack Leonard, the chief elected official of the City of Chesterfield, Missouri, the governmental unit having jurisdiction over the above-referenced Issuer, hereby certify as follows:

1. I am the chief elected official of the City of Chesterfield, Missouri and am duly empowered to execute this certificate;

2. I have been informed by the Issuer that (a) on the above-referenced public hearing date at 5 p.m. a public hearing was held at the offices of the Issuer, 135 Chesterfield Industrial Blvd., Chesterfield, Missouri at which time discussions were held concerning a request by the above-referenced Project Owner that the Issuer issue its Private Activity Revenue Bonds to help defray the cost of financing the above-referenced Project; (b) attached hereto as Exhibit A and made a part hereof by reference is an affidavit of publication which reflects that notice of the public hearing was published not less than 14 days prior to the scheduled date of the public hearing in the Newspaper; and based on the foregoing, issuance of private activity revenue bonds by the Issuer to help defray the cost of the Project is in the best interests of the City of Chesterfield, Missouri and is hereby approved within the meaning of Section 147(f)(2) of the Internal Revenue Code of 1986, as amended (the

within the meaning of Section 147(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code").

This approval does not impose any liability on the City of Chesterfield, Missouri or in any way involve the City of Chesterfield in the issuance of said Bonds or the construction of the proposed Project but is an accommodation by the City of Chesterfield, Missouri to satisfy the requirements of Section 147(f) of the Code.

Date: 2-16-95 Jack Leonard

Jack Leonard, Mayor of the City of Chesterfield, Missouri

v:\105\10569\approval.crt