

RESOLUTION # 348

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF CHESTERFIELD, MISSOURI.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD,
MISSOURI, AS FOLLOWS:**

Section 1. The City of Chesterfield, Missouri (the "City"), is hereby authorized to offer at competitive public sale \$5,255,000 principal amount of General Obligation Refunding Bonds, Series 2008, as described in the Notice of Bond Sale attached hereto as **Exhibit A**.

Section 2. The City's Director of Finance and Administration is hereby authorized and directed to receive sealed bids for the purchase of said Bonds at the Chesterfield City Hall, 690 Chesterfield Parkway West, in Chesterfield, Missouri, until 10:00 a.m., Central Time, on February 20, 2008, upon the terms and conditions set forth in said Notice of Bond Sale, and to deliver all bids so received to the City Council at its meeting to be held at 7:00 p.m. on said date, at which meeting the City Council shall review such bids and shall award the sale of the Bonds or reject all bids. The City Council hereby authorizes the Director of Finance and Administration, after consultation with the City's Financial Advisor, to cancel or postpone to a later date designated by the Director of Finance and Administration, the planned date for receiving sealed bids for the purchase of the Bonds if market conditions are expected to adversely impact the receipt of favorable bids for the purchase of the Bonds on the originally scheduled date.

Section 3. The Notice of Bond Sale is hereby approved in substantially the form attached hereto as **Exhibit A**, and the Director of Finance and Administration is hereby authorized to execute such Notice of Bond Sale, with such changes and additions thereto as such official shall deem necessary or appropriate, and to use such document in connection with the public sale of the Bonds.

Section 4. The Preliminary Official Statement is hereby approved in substantially the form attached hereto as **Exhibit B**, with such changes and additions thereto as the Director of Finance and Administration shall deem necessary or appropriate, and the appropriate officers and representatives of the City are hereby authorized to use such document in connection with the public sale of the Bonds.

Section 5. The Director of Finance and Administration is hereby authorized and directed to give notice of said bond sale by causing a summary of the Notice of Bond Sale to be published in a newspaper having general circulation in the City, and by causing copies of the Notice of Bond Sale and Preliminary Official Statement to be mailed or sent electronically to such banks and investment banking firms and other financial institutions located in the State of Missouri and elsewhere which might be interested in the purchase of said Bonds.

Section 6. For the purpose of enabling the purchaser of the Bonds (the "Original Purchaser") to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the appropriate officers of the City are hereby authorized, if requested, to provide the Original Purchaser a letter or certification to the effect that the City deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Original Purchaser to comply with the requirement of such Rule.

Section 7. The City agrees to provide to the Original Purchaser within seven business days of the date of the sale of Bonds or within sufficient time to accompany any confirmation that requests payment

from any customer of the Original Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 8. The City Administrator, the Director of Finance and Administration and other officers and representatives of the City are hereby authorized and directed to take such other action as may be necessary to carry out the public sale of said Bonds.

Section 9. This Resolution shall be in full force and effect from and after its passage by the City Council.

PASSED by the City Council of the City of Chesterfield, Missouri this 4th day of February, 2008.

(SEAL)

ATTEST:


City Clerk


Mayor

EXHIBIT A

NOTICE OF BOND SALE

NOTICE OF BOND SALE

\$5,255,000*

CITY OF CHESTERFIELD, MISSOURI

GENERAL OBLIGATION REFUNDING BONDS

SERIES 2008

Request for Bids. The City of Chesterfield, Missouri (the "City"), will receive bids, either (i) mailed or delivered in person to the address stated below, (ii) electronically via **PARITY®**, (iii) sent by telephone to 636-537-4726, or (iv) by facsimile transmission to 636-537-4797 (each as more fully described below), for the purchase of the City's \$5,255,000 of General Obligation Refunding Bonds, Series 2008 (the "Bonds"), on an all or none basis at the following time and place:

TIME: Until 10:00 a.m., Central Time

Wednesday, February 20, 2008

PLACE: Chesterfield City Hall
690 Chesterfield Parkway West
Chesterfield, Missouri 63017

All bids will be publicly opened, read and evaluated at said time and place, and the award of the Bonds will be acted upon at a meeting of the City Council to be held at 7:00 p.m., Central Time, on February 20, 2008.

Terms of the Bonds. The Bonds will consist of fully registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of issuance and delivery thereof, and will become due serially on February 15 in the years as follows:

<u>Year</u>	<u>Principal Amount*</u>
2009	\$
2010	
2011	
2012	
2013	
2014	
2015	

* Subject to change as provided in Post-Bid Revisions.

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 15 and August 15 in each year, beginning on August 15, 2008.

Place of Payment. The principal of and interest on the Bonds will be payable in lawful money of the United States of America. So long as DTC or its nominee is the Registered Owner of the Bonds, payments of principal of each Bond will be payable at maturity or upon earlier redemption to DTC by UMB Bank, N.A., St. Louis, Missouri, which has been designated by the City as paying agent and bond registrar for the Bonds (the "Paying Agent"). Interest on each Bond will be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (b) at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (c) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed.

No Optional Redemption. The Bonds will not be subject to optional redemption prior to maturity.

Conditions of Bids. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: Each bid shall be for all of the Bonds. The same interest rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%. **The difference between the highest interest rate specified and the lowest interest rate specified shall not exceed 3%.** No supplemental interest payments will be authorized. **No bid shall be for less than _____% of the principal amount of the Bonds.** Each bid shall specify the total interest cost (expressed in dollars) during the life of the Bond issue on the basis of such bid, the premium, if any, offered by the bidder, and the true interest cost (expressed as a percentage) on the basis of such bid. Solely for purposes of the calculations set forth in the preceding sentence, each bidder shall assume an issuance date for the Bonds of March 4, 2008. Each bidder agrees that, if it is awarded the Bonds, it will provide to the City the certification as to initial offering prices described under the caption "Certification as to Offering Prices" in this Notice of Bond Sale.

Basis of Award. The Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost (the "Canadian Method") calculated by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds to equal the price bid. If there is any discrepancy between the true interest data shown on the bid form and the true interest cost determined from the premium, if any, and the coupon specified on the bid form, the latter shall govern and the true interest cost specified in the bid shall be adjusted accordingly. If two or more proper bids are received providing for identical lowest true interest cost, the City shall determine by lot which bid, if any, shall be accepted and its determination shall be final.

Pre-Bid Revisions. The City reserves the right to issue a Supplemental Notice of Bond Sale not later than 48 hours prior to the sale date via the MUNIFACTS News Service ("Supplemental Notice"). If issued, the Supplemental Notice may modify (i) the maturity amounts of the Bonds, and/or (ii) such other terms of this Notice of Bond Sale as the City determines. Any such modifications will supersede the maturities and such other terms as set forth herein.

Post-Bid Revisions. After bids are received on the sale date, the City may revise the maturities of the Bonds; provided, that the principal amount of Bonds of any maturity shall not be increased or decreased by an amount in excess of 10% and the total principal amount of the Bonds shall not be less than \$ _____ nor greater than \$ _____. THE SUCCESSFUL BIDDER MAY NEITHER WITHDRAW NOR MODIFY ITS PROPOSAL AS A RESULT OF ANY POST-BID REVISIONS TO THE BONDS MADE BY THE CITY.

Authority, Purpose and Security. The Bonds are being issued pursuant to the Constitution and laws of the State of Missouri for the purpose of providing funds to (1) current refund the City's General Obligation Refunding Bonds, Series 1998, and (2) pay the costs of issuance of the Bonds. The Bonds and the interest thereon will constitute general obligations of the City, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, which opinion will be furnished and paid for by the City and delivered to the successful bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the exclusion of the interest on the Bonds from gross income for federal and Missouri income tax purposes. The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Reference is made to the Preliminary Official Statement for further discussion of federal and Missouri income tax matters relating to the interest on the Bonds.

Certification as to Offering Prices. To provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the successful bidder will be required to complete, execute and deliver to the City prior to the delivery of the Bonds, a certificate regarding the "issue price" of the Bonds (as defined in Section 148 of the Code), reflecting the initial offering prices (expressed as dollar prices) at which a substantial amount (i.e., 10% or more) of the Bonds of each maturity have been or are expected to be sold to the public. The term "public" excludes bond houses, brokers or similar persons, or organizations acting in the capacity of underwriters or wholesalers. Such certificate shall state that 10% or more of the Bonds of each maturity have been or are expected to be sold to the public at prices no higher than such initial offering prices. However, such certificate may indicate that the successful bidder will not reoffer the Bonds for sale.

Delivery and Payment. The City will pay for printing the Bonds and will deliver the Bonds to DTC (or to the Paying Agent as DTC's "FAST Agent"), properly prepared, executed and registered, without cost to the successful bidder within 30 days after the date of sale. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the City. The City will deliver Bonds in the denomination of each maturity registered in the name of DTC.

Good Faith Deposit. A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check drawn on a bank located in the United States of America or a Financial Surety Bond in the amount of \$105,100, payable to the order of the City, is required for each bid to be considered. If a certified or cashier's check is used, it must accompany such bid. No interest will be paid upon the Deposit made by the successful bidder. Said check shall be returned to the bidder if its bid is not

accepted. If a bid is accepted, said check or the proceeds thereof shall be held by the City until the successful bidder has complied with all of the terms and conditions of this Notice of Bond Sale, at which time the amount of said check shall be returned to the successful bidder or deducted from the purchase price at the option of the City. If a bid is accepted but the City fails to deliver the Bonds to the bidder in accordance with the terms and conditions of this Notice of Bond Sale, said check or the proceeds thereof shall be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice of Bond Sale, the proceeds of such check shall be retained by the City as and for liquidated damages.

If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Missouri, and such bond must be submitted to the City or its Financial Advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser ("Purchaser") is required to submit its Deposit to the City or its Financial Advisor in the form of a cashier's or certified check (or wire transfer such amount as instructed by the City or its Financial Advisor) not later than 3:30 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser.

Rating. Moody's Investor's Service, Inc. has assigned the Bonds a rating of "_____".

Bond Insurance. The purchase of any municipal bond insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of a bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or any such policy or commitment of insurance to be issued shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with the terms of its bid.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Bond Sale. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the City.

Bid Forms. All bids must be made on forms which may be procured from the City's Director of Finance and Administration or the City's Financial Advisor. No additions or alteration in such forms shall be made and any erasures may cause rejection of any bid. The City reserves the right to waive irregularities and to reject any or all bids.

Submission of Proposals. Each proposal must either:

(i) be submitted via **PARITY**[®] in accordance with this Notice of Bond Sale, until 10:00 a.m., Central Time, on February 20, 2008. To the extent any instructions or directions set forth in **PARITY**[®] conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about **PARITY**[®], potential bidders may contact the Financial Advisor at its address shown below;

(ii) be signed and submitted in sealed envelopes addressed to the City's Director of Finance and Administration and marked "Proposal for the Purchase of General Obligation Refunding Bonds, Series 2008." If the required Deposit for a proposal is in the form of a

cashier's or certified check, such check shall accompany the proposal. If the Deposit is in the form of a Financial Surety Bond, such Financial Surety Bond must both be submitted to the City or its Financial Advisor and must identify the bidder(s) whose Deposit is guaranteed by the Financial Surety Bond prior to the opening of bids. Proposals may be mailed or delivered in person and must be received by the undersigned at the address given above prior to 10:00 a.m., Central Time, on February 20, 2008;

(iii) be sent by telephone by contacting the City's Financial Advisor, Ms. Michelle M. Bock of Piper Jaffray & Co., Pierre Laclède Center, Suite 750, 7733 Forsyth Boulevard, St. Louis, Missouri 63105-1817, at the City's office at 636-537-4726 prior to 10:00 a.m., Central Time, on February 20, 2008. Bidders who transmit their proposal by telephone must submit a blank signed copy of the official Proposal for the Bonds in the manner set forth above, accompanied by the Deposit in time to be received by the City prior to the sale time, which proposal must provide the name and telephone number of the authorized representative of the lead manager of each account signed by such representative and must list the members of the account on the back thereof. The signed proposal will be completed by a representative of the Financial Advisor. The risk of any mistake on a telephone proposal or a failure to access the telephone number prior to the indicated sale time is solely upon the party making the telephone proposal and not the City or the Financial Advisor. Any bidder submitting a bid by phone in the manner described above acknowledges that neither the City nor the Financial Advisor assume any liability or responsibility for any inscribing or transmittal error in connection with such bid. A bid called in as specified above will constitute a bid received by the City; or

(iv) be sent by facsimile transmission to 636-537-4797 prior to 10:00 a.m., Central Time, on February 20, 2008. Bidders who transmit their proposal by facsimile must send the Deposit in time to be received by the City prior to the sale time. The risk of a failure to access the facsimile number prior to the indicated sale time is solely upon the party making the facsimile proposal and not the City or the Financial Advisor. Any bidder submitting a bid by facsimile in the manner described above acknowledges that neither the City nor the Financial Advisor assume any liability or responsibility for any transmittal error in connection with such bid.

Bidders wishing to call or fax in a bid should submit the bidding documents and/or Deposit to the City's Financial Advisor, on or prior to the date of sale as follows: Ms. Michelle M. Bock, c/o Ms. Lori Helle, Director of Finance and Administration, at the City's address shown below.

Preliminary Official Statement and Official Statement. The City has prepared a Preliminary Official Statement, copies of which may be obtained from the Financial Advisor. Upon the sale of the Bonds, the City will adopt the final Official Statement and will furnish the successful bidder with a sufficient quantity of such Official Statement within seven business days of the acceptance of the successful bidder's proposal in order to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board. The City's acceptance of the successful bidder's proposal for the purchase of the Bonds shall constitute a contract between the City and the successful bidder for purposes of said Rules. Additional copies of the final Official Statement may be ordered by the successful bidder at its expense.

Continuing Disclosure Undertaking. The City will agree in the Ordinance authorizing the Bonds (the "Bond Ordinance") to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule")

and as described in greater detail in the Preliminary Official Statement under the caption "Summary of the Continuing Disclosure Certificate" (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, to all Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"), the State Repository designated by the State of Missouri, if any, the successful bidder, and to each holder of Bonds who makes a request for such information, (ii) to all NRMSIRs or the Municipal Securities Rulemaking Board timely notice of the occurrence of certain material events with respect to the Bonds, and (iii) to all NRMSIRs or the Municipal Securities Rulemaking Board timely notice of a failure by the City to provide the required annual financial information on or before the date specified below. Such information shall be made available not later than 180 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2007.

The successful bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, the Bond Ordinance evidencing that the City has made the continuing disclosure undertaking set forth above for the benefit of the holders of the Bonds.

Additional Information. Additional information regarding the Bonds may be obtained from the City's Director of Finance and Administration, Ms. Lori Helle, Chesterfield City Hall, 690 Chesterfield Parkway West, Chesterfield, Missouri 63017 (636-537-4726), or from the City's Financial Advisor, Piper Jaffray & Co., Pierre Laclède Center, Suite 750, 7733 Forsyth Boulevard, St. Louis, Missouri 63105-1817, Attention: Ms. Michelle M. Bock (314-726-7532).

DATED this 5th day of February, 2008.

CITY OF CHESTERFIELD, MISSOURI

By: /s/ Lori Helle
Director of Finance and Administration

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor may there be any sale of these securities in any jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2008

**NEW ISSUE
BANK QUALIFIED
Book-Entry Only**

Moody's Rating: _____
See "RATING" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" herein and the form of Opinion of Bond Counsel attached hereto as Appendix C.

\$5,255,000*

**CITY OF CHESTERFIELD, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2008**

Dated: Date of Delivery

Due: February 15, as shown on the inside cover

The General Obligation Refunding Bonds, Series 2008 will be issued by the City of Chesterfield, Missouri (the "City") for the purpose of providing funds to currently refund all of the City's outstanding General Obligation Refunding Bonds, Series 1998 maturing on February 15, 2009 and thereafter in the aggregate principal amount of \$5,245,000 as further described herein under the section captioned "PLAN OF FINANCING -- Refunding" and to pay costs of issuance related to the Bonds.

The Bonds will be issued as fully registered bonds without coupons, in the denomination of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS -- Book-Entry Only System" herein.

Principal on the Bonds will be payable annually on February 15, commencing on February 15, 2009. Interest on the Bonds is payable semiannually on each February 15 and August 15, commencing August 15, 2008. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made by UMB Bank, N.A., St. Louis, Missouri, as paying agent and bond registrar, directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds are not subject to redemption prior to maturity.

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE CITY.

See inside cover for maturities, principal amounts, interest rates, prices and CUSIP numbers.

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Gilmore & Bell, P.C. will also pass upon certain matters relating to this Official Statement. Piper Jaffray & Co., St. Louis, Missouri, has acted as financial advisor to the City in connection with the Bonds. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about March 4, 2008.

The date of this Official Statement is _____, 2008.

* Preliminary; subject to change.

\$5,255,000*
CITY OF CHESTERFIELD, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2008

MATURITY SCHEDULE*
Base CUSIP: _____

<u>Due</u> <u>(February 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
2009				
2010				
2011				
2012				
2013				
2014				
2015				

* Preliminary; subject to change.

CITY OF CHESTERFIELD, MISSOURI

690 Chesterfield Parkway West
Chesterfield, Missouri 63017

ELECTED OFFICIALS

John Nations, *Mayor*
Barry Flachsbart, *Councilmember*
Jane Durrell, *Councilmember*
Bruce Geiger, *Councilmember*
Lee Erickson, *Councilmember*
Dan Hurt, *Councilmember*
Mike Casey, *Councilmember*
Connie Fults, *Councilmember*
Bob Nation, *Councilmember*

CITY OFFICIALS

Michael G. Herring, *City Administrator*
Lori Helle, *Director of Finance and Administration*

CITY ATTORNEY

Stewart, Mittleman, Heggie & Henry, L.L.C.
St. Louis, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

FINANCIAL ADVISOR

Piper Jaffray & Co.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

The information set forth herein has been obtained from the City and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Financial Advisor or the Underwriter.

No dealer, broker, salesperson or any other person has been authorized by the City, the Financial Advisor or the Underwriter to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

CITY OF CHESTERFIELD, MISSOURI

\$5,255,000*

GENERAL OBLIGATION REFUNDING BONDS SERIES 2008

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to the City of Chesterfield, Missouri (the "City") and its General Obligation Refunding Bonds, Series 2008 (the "Bonds"), to be issued in the principal amount of \$5,255,000*.

The City

The City is a third-class city and political subdivision organized and existing under the laws of the State of Missouri. See Appendix A - "GENERAL INFORMATION CONCERNING THE CITY" and "FINANCIAL INFORMATION CONCERNING THE CITY" attached hereto for a description of the City and its financial and economic condition.

The Bonds

The Bonds are authorized under the provisions of Article VI, Section 28 of the Constitution of Missouri, 1945, as amended, and Section 108.140 of the Revised Statutes of Missouri, as amended (the "Refunding Bond Law"), to refund, extend and unify the whole or part of its valid general obligation indebtedness. See the caption "THE BONDS - Authorization for the Bonds" herein. The issuance and sale of the Bonds is expected to be authorized by an ordinance to be adopted on February 20, 2008 by the governing body of the City (the "Bond Ordinance").

Purpose of the Bonds

The Bonds are being issued for the purpose of providing funds to (i) currently refund all of the City's outstanding General Obligation Refunding Bonds, Series 1998, maturing on February 15, 2009 and thereafter, outstanding in the aggregate principal amount of \$5,245,000 (the "Refunded Bonds") and (ii) pay costs of issuance related to the Bonds. See the section herein captioned "PLAN OF FINANCING - Refunding."

Security and Source of Payment

The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all taxable tangible property within the City's territorial limits. See the caption "THE BONDS - Security and Source of Payment for the Bonds" herein.

* Preliminary; subject to change.

Continuing Disclosure Information

The City has covenanted in the Bond Ordinance and in its Continuing Disclosure Certificate to provide certain financial information and to provide notices of material events to each nationally recognized municipal securities information repository, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the caption "SUMMARY OF THE CONTINUING DISCLOSURE CERTIFICATE" herein.

THE BONDS

Authorization for the Bonds

The Bonds are authorized and being issued pursuant to and in full compliance with the provisions of Article VI, Section 28 of the Constitution of Missouri, 1945, as amended, and Section 108.140 of the Revised Statutes of Missouri, as amended, to refund, extend and unify the whole or part of its valid general obligation indebtedness. The governing body of the City is expected to adopt the Bond Ordinance on February 20, 2008, authorizing the issuance of the Bonds for the above purpose and subject to the terms and conditions described herein.

Description of the Bonds

The Bonds will be issued in the aggregate principal amount of \$5,255,000*, as shown on the cover page hereof. The Bonds will be dated the date of original delivery of and payment for such Bonds, and will bear interest at the rates per annum set forth on the inside cover page hereof (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on February 15 and August 15 of each year, commencing on August 15, 2008 (each, an "Interest Payment Date"), and will mature on February 15 in the years and principal amounts set forth on the inside cover page hereof. The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Principal of the Bonds is payable at the payment office of UMB Bank, N.A., in St. Louis, Missouri (the "Paying Agent"). Interest on the Bonds is payable (a) by check or draft mailed by the Paying Agent to the person in whose name each Bond is registered on the 1st day of the calendar month including the interest payment due at such person's address as it appears on the bond registration books kept by the Paying Agent or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner, upon written notice given to the Paying Agent not less than 15 days prior to the Record Date for such interest, which notice shall specify a wire transfer address in the continental United States.

Book-Entry Only System

The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the City believes to be reliable. However, the City takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

* Preliminary; subject to change.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed, registered in the name of DTC's partnership nominee, Cede & Co. (or such other name as may be requested by an authorized representative of DTC), and delivered to DTC (or a successor securities depository), to be held by it as securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bonds may be delivered to Beneficial Owners in the manner described herein under the caption "**Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System.**"

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

Each Bond when issued shall be registered by the Paying Agent in the name of the Registered Owner thereof on the Register. The Bonds are transferable only upon the Register upon presentation and surrender of the Bonds, together with instructions for transfer. The Bonds may be exchanged for the Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange. The Bonds are transferable only upon the Register upon presentation and surrender of the Bonds, together with instructions for transfer.

Security and Source of Payment for the Bonds

General. The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the City's territorial limits. The full faith, credit and resources of the City are irrevocably pledged under the Bond Ordinance for the prompt payment of the principal of and interest on the Bonds as the same become due.

Redemption Provisions

The Bonds are not subject to redemption and payment prior to maturity.

PLAN OF FINANCING

Refunding

The City will deposit with UMB Bank, N.A., as escrow agent for the Refunded Bonds, from proceeds of the Series 2008 Bonds, an amount that will be sufficient to pay the principal and interest on the Refunded Bonds on March 24, 2008. The Series 1998 Bonds maturing on and after February 15, 2009 will be prepaid at a prepayment price of 100% of the outstanding principal amount thereof, plus accrued interest to the date of prepayment.

Set forth below is a description of Refunded Bonds:

<u>Maturity Date</u> <u>(February 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2009	\$640,000	4.65%	166455 CC7	March 24, 2008	100.00%
2010	675,000	4.75	166455 CD5	March 24, 2008	100.00
2011	710,000	4.85	166455 CE3	March 24, 2008	100.00
2012	745,000	4.90	166455 CF0	March 24, 2008	100.00
2013	780,000	5.00	166455 CG8	March 24, 2008	100.00
2014	825,000	5.00	166455 CH6	March 24, 2008	100.00
2015	870,000	5.00	166455 CJ2	March 24, 2008	100.00

Sources and Uses of Funds

The following table summarizes the anticipated sources of funds, including the proceeds from the sale of the Bonds, and the anticipated uses of the funds:

Sources of Funds:	
Principal Amount of the Bonds	\$5,255,000*
Plus: Original Issue Premium	
Less: Original Issue Discount	()
Total Sources	\$ _____
Uses of Funds:	
Deposit to Escrow Fund	\$ _____
Costs of Issuance, including Underwriter's Discount	_____
Total Uses	\$ _____

FINANCIAL STATEMENTS

The City's audited financial statements for the fiscal year ended December 31, 2006, together with the Independent Auditors' Report of Hochschild, Bloom & Company LLP, Certified Public Accountants, Chesterfield, Missouri, are set forth in **Appendix B** hereto.

* Preliminary; subject to change.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or, to the City's knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the City's legal organization or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the transcript of proceedings with respect to the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

Approval of Legality

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Certain matters relating to this Official Statement will also be passed upon by Bond Counsel.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest on the Bonds.

Original Issue Discount Bonds

In the opinion of Bond Counsel, subject to the conditions set forth above, the original issue discount in the selling price of each Bond purchased in the original offering at a price less than the par amount thereof (hereinafter referred to as the "OID Bonds"), to the extent properly allocable to each owner of such Bond, is excluded from gross income for federal income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Bond over the initial offering price to the public (excluding underwriters and intermediaries) at which price a substantial amount of the OID Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. For an owner who acquires an OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Bond during such

accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes and will increase the owner's tax basis in such OID Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether the application of the original issue discount federal regulations will require them to include, for State and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.

Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their own tax advisors as to the applicability of these consequences.

Other Tax Consequences

Prospective purchasers of the Bonds should be aware that there may be tax consequences of purchasing the Bonds other than those discussed above under the caption "Opinion of Bond Counsel," including the following:

- (1) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code);
- (2) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds;
- (3) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code;
- (4) passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and
- (5) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds.

Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their own tax advisors as to the applicability of these tax consequences.

SUMMARY OF THE CONTINUING DISCLOSURE CERTIFICATE

The City will covenant in the Continuing Disclosure Certificate to provide certain financial information and operating data relating to the City (updated within not later than 180 days following the end of its fiscal year, which currently ends on December 31) (the "Annual Report") commencing with the Annual Report for the fiscal year ending December 31, 2007, and to provide notices of the occurrence of certain enumerated events, if material. The report shall be filed by or on behalf of the City with each National Repository and the State Repository, if any, as defined in the Continuing Disclosure Certificate. The Annual Report shall include:

- (1) The City's audited financial statements for the prior fiscal year, prepared in accordance with generally accepted accounting principles.

- (2) Information relating to the City and its operations set forth in Appendix A of this Official Statement, set forth in the tables under the sections captioned: "FINANCIAL INFORMATION CONCERNING THE CITY - The General Fund," "DEBT STRUCTURE OF THE CITY - Debt Ratios and Related Information" and "PROPERTY TAX INFORMATION - Property Valuations."

The City shall also provide, in a timely manner, to each of the Repositories (as such term is defined in the Continuing Disclosure Certificate) written notice of the occurrence of any of the following events with respect to the Bonds, if such event is material ("Material Events"):

- a. Principal or interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- g. Modification to rights of holders of the Bonds;
- h. Bond calls (other than mandatory sinking fund redemptions or redemptions at maturity);
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the Bonds; or
- k. Rating changes.

Nothing in the Continuing Disclosure Certificate shall prevent the City from disseminating any other information in addition to that which is required by the Continuing Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required, the City shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The City is not now and has never been in default with respect to any continuing disclosure obligation of the City under the Rule

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned the Bonds an underlying credit rating of "___". Such rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained only from Moody's. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by Moody's, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an effect on the market price of the Bonds.

FINANCIAL ADVISOR

Piper Jaffray & Co., St. Louis, Missouri, is employed as Financial Advisor to the City to render certain professional services, including advising the City on a plan of financing.

UNDERWRITING

_____ (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the City at a price of \$_____ (equal to the principal amount of the Bonds, plus original issue premium of \$_____, less original issue discount of \$_____, and less an underwriting discount of \$_____). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Bond Counsel, has represented the Paying Agent and the Escrow Agent in transactions unrelated to the issuance of the Bonds, but is not representing them in connection with the issuance of the Bonds.

MISCELLANEOUS

Simultaneously with the delivery of the Bonds, the Mayor, acting on behalf of the City, will furnish to the Underwriter a certificate which will state, among other things, that to the best of the knowledge and belief of the Mayor, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or Projections will be realized. The descriptions contained in this Official Statement of the Bonds and the Bond Ordinance do not purport to be complete and are qualified in their entirety by reference thereto.

The City has approved the form of this Official Statement, and its distribution and use by the Underwriter.

CITY OF CHESTERFIELD, MISSOURI

By: _____

Mayor

APPENDIX A

INFORMATION CONCERNING THE CITY

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GENERAL INFORMATION CONCERNING THE CITY

The City is located on the western edge of St. Louis County, Missouri. The City was incorporated under Missouri law as a third-class city on June 1, 1988. The City is located within the St. Louis Metropolitan Statistical Area ("St. Louis MSA"), which is comprised of the counties of St. Charles, St. Louis, Franklin, Jefferson, Lincoln, Warren and Washington in Missouri, the City of St. Louis, Missouri and the counties of Bond, Calhoun, Jersey, Madison, St. Clair, Clinton, Macoupin and Monroe in Illinois.

The City is considered by many to be one of the fastest growing cities in the Midwest. The City already has a thriving business community convenient to both the City of St. Louis to the east and St. Charles County to the north. Improvements to I-64/Highway 40 assure the City greater opportunity for growth, enhancing its accessibility to downtown St. Louis. The national and international headquarters and regional offices of corporations such as McDonald's Corporation, Merrill Lynch, Mallinckrodt Specialties Chemical Company, Wagner Brake and Shell Oil Company are located in the City. In addition, Pfizer Inc. has a \$150 million Life Sciences Research Center that occupies approximately 900,000 square feet on 210 acres within the City.

The City has a strong retail base, including Chesterfield Mall, a 1,314,256 square foot (gross leased area) enclosed shopping mall with three anchor stores (Dillard's, Macy's and Sears), and numerous restaurants, boutiques, shops, stores and services. In 2006, a new wing was completed and opened at the mall. In 2007, Chesterfield Mall was acquired by CBL & Associates Properties Inc. of Chattanooga, Tennessee. Chesterfield Mall is one of the largest suburban shopping centers in the St. Louis MSA and is complemented by several smaller shops and boutiques in the surrounding areas.

The City's western corridor, referred to as Chesterfield Valley, expanded dramatically over the last several years, with light industrial and office/warehouse facilities and a 2 million square foot retail center, known as Chesterfield Commons, which is anchored by Wal-Mart, Lowe's, Target, Sam's Club and Home Depot, and includes a 14-screen Wehrenberg theatre complex. This portion of the City was devastated by a flood in 1993 but has made a dramatic comeback. The Monarch-Chesterfield levee, owned by the Monarch-Chesterfield Levee District, has been restored to its original 100-year level of protection. The Levee District and the City have completed all earthwork required for a 500-year level of protection and certification of the levee by the U.S. Corps of Engineers for 500-year flooding conditions is expected following the completion of other, primarily interior, improvements. The improved levee is designed to protect Chesterfield Valley from flood waters and will continue to encourage additional economic growth and development.

Type of Government

The City is governed under a Mayor/City Council/City Administrator form of government. The legislative body of the City is the City Council, which is comprised of eight council members (two from each ward) and a Mayor. Council members are elected to serve two-year terms, one-half of which expire annually. The Mayor, elected at large to serve a four-year term, is the presiding officer of the City Council. The Mayor may vote in the event of a tie by the City Council. The current Mayor and the members of the City Council are as follows:

	<u>Year First Elected</u>	<u>Year Present Term Expires</u>
John Nations, Mayor	2001	2009
Barry Flachsbart, Councilmember	1988, 1994 ⁽¹⁾	2008
Jane Durrell, Councilmember	1999	2009
Bruce Geiger, Councilmember	2001	2008
Lee Erickson, Councilmember	2007	2009
Dan Hurt, Councilmember	1989	2009
Mike Casey, Councilmember	1998	2008
Connie Fults, Councilmember	2002	2008
Bob Nation, Councilmember	2007	2009

(1) Councilmember Flachsbart served from 1988 to 1990 and was then re-elected in 1994.

Michael G. Herring, *City Administrator*. Mr. Herring was selected as City Administrator following a nationwide search and began his service to the City in July 1988. In 2003, the International City Management Association recognized Mr. Herring as a "fully-credentialed manager", and that status was renewed in each of the years 2004 through 2007. Prior to working for the City, Mr. Herring served as City Administrator for the City of Ballwin, Missouri, the City of Garden City, Georgia (a suburb of Savannah, Georgia) and Town Administrator for the City of Ridgeland, South Carolina. Mr. Herring is a Phi Beta Kappa graduate of the University of South Carolina, where he received a Masters in Public Administration and a Bachelor of Arts in Political Science.

In 1998, Mr. Herring received the "Jay T. Bell Professional Management Award" from the Missouri City Management Association, awarded annually to the one City Administrator in Missouri for "high standards of accomplishment, professionalism and ethical conduct." He also was the recipient of the "Excellence in Community Development Award" from the Chesterfield Area Civic Progress organization for his dedication and service during the restoration of Chesterfield Valley. In 1990, he received the "Outstanding Achievement in Local Government Award" from the East-West Gateway Coordinating Council, and has served as president of both the St. Louis Area City Management Association and the Missouri City Managers Association.

Lori Helle, *Director of Finance and Administration*. Ms. Helle began employment with the City in September 2007 and has over 13 years of experience in local government. Prior to joining the City, Ms. Helle served as Director of Finance for the City of Ellisville, Missouri, Director of Finance for the City of Shrewsbury, Missouri and Finance Officer for the City of Glendale, Missouri.

Awards

The City Council, the City's administrative staff and the City's auditor have worked together to produce annual audits which are easily readable and efficiently organized, satisfying both generally accepted accounting principles and applicable legal requirements.

As a result of this effort, the Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the City for its Comprehensive Annual Financial Reports for each of the fiscal years ending December 31, 1989 through 2006. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

The GFOA has also awarded its "Distinguished Budget Presentation" award to the City for its 1990 through 2007 Annual Operating Budgets. The Distinguished Budget Presentation award is the highest form of recognition in governmental budgeting. The attainment of this award represents a significant achievement by the elected officials and administrative staff of the City.

These awards are valid for one year only. The City plans to submit its 2007 Comprehensive Annual Financial Report and the 2008 Annual Operating Budget to GFOA to determine their eligibility for additional awards.

Employees

The City has 214 full-time employees and 2 part-time employees, including uniformed personnel. The City has no record of any work stoppages or other labor disputes.

Pension Plans

In 1989, the City established a money purchase retirement plan (a defined contribution plan) funded through Manufacturers Life Insurance Company. In 2005, the City switched the Administrator to Hartford Investment. All employees are eligible to participate in the plan after they have completed one year of service and are 18 years of age or older. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants, and no contribution is required from City employees. All employees are fully vested after five years of credited service. The City's contribution for 2006 was \$701,566 or 8% of covered payroll, less any forfeitures from terminated non-vested employees. Total covered payroll for 2006 was \$8,778,975 or 86% of the total City payroll of \$10,160,333.

Risk Management

The City, along with various local governments, participates in an insurance trust, the St. Louis Area Insurance Trust (SLAIT), for workers' compensation and for general liability matters. The purpose of this trust is to distribute the cost of self-insurance over similar entities. The Daniel & Henry Company provides claims administration for the trust. The City also purchases commercial insurance to cover risks related to property loss, public official liability, earthquakes and employees' blanket bonds. Mr. Herring, the City Administrator, currently serves as Chairman of the SLAIT Board of Directors. He has served on the Board of Directors of SLAIT since 1986.

Municipal Utilities and Services

The City provides a full range of services associated with municipalities of similar size and type including: administrative, judicial, police, public works and planning. Missouri-American Water Company provides water service to the City, Metropolitan St. Louis Sewer District provides sewer service to the City and Midwest Waste contracts with the City for solid waste collection services. AmerenUE provides electricity and Laclede Gas provides natural gas.

Public Safety

The City maintains its own police department. The police department is comprised of 88 commissioned officers and 1 reserve officer. The department participates in a county-wide task force focusing on narcotics offenders and an area-wide major case squad to provide rapid response of investigative personnel at major crime scenes. Fire protection and emergency medical services are provided by the Monarch Fire Protection District and Metro West Fire Protection District.

Communications

Telecommunications services are provided by numerous telecommunications providers. Residents of the City are able to receive broadcast signals from all St. Louis radio and television stations. Local newspapers include *The St. Louis Post-Dispatch* and the *Chesterfield Journal*. Residents of the City receive cable television service from Charter Communications.

Transportation

The City's geographic location provides easy access to all areas of metropolitan St. Louis via Interstate 64/U.S. Highway 40, which runs for 9 miles through the City and has six interchanges within the City. Interstate 64/U.S. Highway 40 directly connects the City to the City of St. Louis; however, currently the Missouri Department of Transportation has begun an anticipated two-year project to rebuild I-64/40 east of the City. This project will result in the complete closure of I-64/40 from the I-170 exit, located east of the City to the Ballas Road exit for an estimated one-year period. After completion of such reconstruction, I-64/40 will then be completely closed from the I-170 exit east to the Boyle exit for an estimated additional one-year period. Residents of the City will use alternates like Interstate 44, Interstate 270 and Interstate 70 to travel to the City. Commercial rail service is provided by the St. Louis Southwestern Railroad, which runs through Chesterfield Valley. Regularly scheduled air passenger and freight service is available at Lambert-St. Louis International Airport located approximately 20 miles northeast of the City.

Charter and commercial air service is available at the Spirit of St. Louis Airport ("Spirit Airport"), located within the City. Spirit Airport is the second busiest airport in its FAA region (Missouri, Iowa, Kansas and Arkansas). Spirit Airport has both a 7,500 and 5,000-foot runway and the capacity to base 700 aircraft. Spirit Airport, with its FAA Flight Service Station, terminal service and overhaul amenities, is a major economic generator for the region's commerce.

Educational Institutions and Facilities

The City is served by the Parkway School District, an award winning school district with the highest percentage of Blue Ribbon Awards for Excellence in Education in the nation. The City is also served by the Rockwood School District, one of the fastest growing school districts in Missouri. These districts are independent of the City and have their own officials, budgets, administrators and taxing powers. Both districts are currently assigned "accredited" status by the Missouri Department of Elementary and Secondary Education, the highest accreditation status given to Missouri school districts. In addition, several private educational institutions are located in the City, including Chesterfield Day School and Green Trails Preschool. Logan College of Chiropractic is located in the City. Other post-secondary educational facilities located in the surrounding area include both public and private colleges and universities such as St. Louis Community College, Maryville University, University of Missouri-St. Louis, Washington University, St. Louis University and Webster University.

Medical and Health Facilities

St. Luke's Hospital, a 493-bed, full service, nonprofit hospital that has been in operation since 1975, is located in the City. St. Luke's is a specialty hospital offering medical and surgical care in areas such as maternity, pediatrics, general medicine, neurosurgery, obstetrics, gynecology, cardiac services and oncology. St. Luke's also operates the Comprehensive Breast Care Center and the St. Luke's Hospital Institute for Health Education. The City is also served by Surrey Place, a 120-bed skilled nursing and residential care facility, Brooking Park, a facility of 89 residential care beds and 97 skilled nursing beds with 47 housing units for independent senior living, Sunrise, a 95 bed assisted living facility, and Friendship Village, a 120-bed health center plus 263 independent living units. Also located in the surrounding area are Washington University Medical Center at Barnes-Jewish Hospital, St. Louis University Hospital, and St. John's Mercy Medical Center, as well as numerous doctor's offices, nursing facilities and other healthcare providers.

Employment

The top employers located within the City are as follows:

<u>Employer</u>	<u>Type of Business/Products</u>	<u>Number of Employees</u>
St. Luke's Hospital	Health care	2,532
Pfizer, Inc.	Pharmaceutical research/development	1,200
McBride & Son Management Company	Homebuilder, developer and contractor	700
Parkway School District	Public education	576
Amdocs, Inc.	Billing and management software	500
Reinsurance Group of America	Life insurance	500
Rose International	Research and software development	450
IKON Office Solutions	Copier sales and service	400
Mark Andy, Inc	Manufacturer of printing presses	305
Higher Education Loan Authority/MOHELA	Student loan services	204

Source: City.

The following table sets forth the total labor force, number of employed and unemployed workers in the City and, for comparative purposes, the unemployment rates for the City, St. Louis County, the State of Missouri and the United States for 2002 through 2006:

<u>Year</u>	<u>City of Chesterfield Labor Force</u>			<u>Unemployment Rates</u>			
	<u>Employed</u>	<u>Unemployed</u>	<u>Total</u>	<u>City of Chesterfield</u>	<u>St. Louis County</u>	<u>State of Missouri</u>	<u>United States</u>
2002	25,103	782	25,884	3.0%	4.7%	5.2%	5.8%
2003	24,671	852	25,522	3.3	5.2	5.6	6.0
2004	24,352	893	25,245	3.5	5.5	5.8	5.5
2005	24,500	832	25,332	3.3	5.2	5.3	5.1
2006	24,246	737	24,983	3.0	4.6	4.8	4.6

Source: Missouri Department of Employment Security; Missouri Department of Economic Development; U.S. Department of Labor, Bureau of Labor Statistics.

Housing

The median value of owner-occupied housing units in the City, St. Louis County and the State of Missouri according to the 2000 Census is as follows:

City of Chesterfield	\$238,300
St. Louis County	\$116,600
State of Missouri	\$89,900

Source: United States Census Bureau, 2000 U.S. Census.

General Demographic Statistics

Population. According to the U.S. Census Bureau, the population patterns for the City, St. Louis County and the State of Missouri have been as follows:

Year	City of Chesterfield		St. Louis County		State of Missouri	
	Population	Percentage Change	Population	Percentage Change	Population	Percentage Change
1980	N/A	N/A	973,896	N/A	4,916,686	N/A
1990	37,991	N/A	993,529	2.0%	5,117,073	4.1%
2000	46,802	23.2%	1,016,315	2.3	5,595,211	9.3

Source: Missouri State Census Data Center; United States Census Bureau, 2000 U.S. Census.

The following table shows the 2000 Census counts of population by age categories for the City, St. Louis County and the State of Missouri:

Age	City of Chesterfield	St. Louis County	State of Missouri
Under 5 years	2,606	63,851	369,898
5-19 years	9,793	218,431	1,224,274
20-24 years	1,886	57,773	369,498
25-44 years	11,720	294,534	1,626,302
45-64 years	13,909	238,464	1,249,860
65 and over	6,888	143,262	755,379
Median Age	41.8	37.5	36.1

Source: Missouri State Census Data Center; United States Census Bureau, 2000 U.S. Census.

Other Statistics. The following table presents Median Family Income 1999 (from the 2000 Census) for the City, St. Louis County, the State of Missouri and the United States:

	Median Family Income 1999 (dollars)
City of Chesterfield	\$102,987
St. Louis County	61,680
State of Missouri	46,044
United States	50,046

Source: Missouri State Census Data Center; United States Census Bureau, 2000 U.S. Census.

The following table presents per capita income⁽¹⁾ for St. Louis County and the State of Missouri for the years 2001 through 2005, the latest date for which such information is available:

<u>Year</u>	<u>St. Louis County Per Capita Income</u>	<u>State of Missouri Per Capita Income</u>
2001	\$40,002	\$27,810
2002	41,712	28,362
2003	43,015	29,082
2004	43,759	30,081
2005	46,207	31,231

(1) "Per Capita Personal Income" is the annual total personal income of residents divided by the resident population as of July 1. "Personal Income" is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. "Net Earnings" is earnings by place of work - the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income - less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The accounting policies of the City conform to generally accepted accounting principals (GAAP) as applicable to governmental units. The following is a summary of the significant policies.

Basis of Accounting. All governmental funds are accounted for using the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues which are considered susceptible to accrual include sales taxes, utility gross receipts taxes and certain intergovernmental revenues. Expenditures are recognized in the period in which the funds liability is incurred, if measurable, except principal and interest on general long-term debt which is recognized when due.

Fund Accounting. The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types. Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position. The following is the City's governmental fund type:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources designated for the acquisition or construction of major capital facilities or improvements.

Fiduciary Fund Types - Trust and Agency Funds. Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. For the City, these include the expendable trust and agency funds. The expendable trust fund is accounted for, and its results of operations are reported similar to, the governmental fund types. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups. Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The following are the City's account groups:

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the City.

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the City.

Budget Policies. Each year the City Administrator submits to the City Council a proposed operating budget for the general, debt service, and capital projects fund types for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by ordinance after public hearings are held to obtain taxpayer comments.

The General Fund

In accordance with established accounting procedures of governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. Excerpts of the City's audited financial statements for the fiscal year ended December 31, 2006, are included in this Official Statement as *Appendix B*. Copies of prior fiscal year's audits and financial reports are on file with the City Clerk. The following table sets forth the revenues, expenditures and fund balances for the City's General Fund for the last three fiscal years:

SUMMARY OF OPERATIONS

	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u> (unaudited)
REVENUES			
Municipal Taxes	\$10,600,514	\$10,617,829	\$10,840,960
Licenses and Permits	1,276,560	1,379,243	1,385,574
Intergovernmental	3,750,600	4,169,206	4,529,605
Charges for Services	129,755	188,708	129,491
Court Fines and Forfeitures	876,978	886,948	1,009,594
Investment Income, Net Arbitrage	285,800	481,053	430,000
Miscellaneous	<u>333,773</u>	<u>238,333</u>	<u>340,356</u>
Total Revenues	<u>\$17,253,980</u>	<u>\$17,961,320</u>	<u>\$18,665,580</u>
EXPENDITURES			
Current:			
Legislative	\$ 66,930	\$ 67,324	\$ 74,866
Administrative	2,234,826	2,393,069	2,623,597
Police Services	6,668,314	6,865,057	7,222,224
Judicial	183,888	181,150	189,668
Planning and Zoning	568,524	636,259	0 ^(a)
Public Works	4,277,081	4,649,423	5,990,113
Parks and Recreation	0	0	0
Capital Outlay	<u>931,172</u>	<u>1,110,996</u>	<u>1,376,498</u>
Total Expenditures	<u>\$14,930,735</u>	<u>\$15,903,278</u>	<u>\$17,476,966</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,323,245</u>	<u>\$ 2,058,042</u>	<u>\$ 1,188,614</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	\$ 111,535	\$ 160,230	\$ 0
Transfers In	415,292	0	0
Transfers Out	<u>(1,760,546)</u>	<u>(1,738,683)</u>	<u>(2,320,808)</u>
Total Other Financing Sources (Uses)	<u>\$(1,233,719)</u>	<u>\$(1,578,453)</u>	<u>\$(2,320,808)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 1,089,526</u>	<u>\$ 479,589</u>	<u>\$(1,132,194)</u>
FUND BALANCE -- JANUARY 1	<u>\$11,182,439</u>	<u>\$12,271,965</u>	<u>\$12,751,554</u>
FUND BALANCE -- DECEMBER 31	<u>\$12,271,965</u>	<u>\$12,751,554</u>	<u>\$11,619,360</u>

^(a) Planning and Zoning was combined with Public Works in 2007.

Sources of Revenue

The City finances its general operations through taxes and other sources. The sources of revenue for the fiscal year ended December 31, 2006 (audited) and for the fiscal year ended December 31, 2007 (unaudited) are shown below:

<u>Source</u>	<u>2006</u>	<u>2007</u>
Municipal Taxes.....	59.11%	58.08%
Licenses and permits.....	7.68	24.27
Intergovernmental.....	23.21	7.42
Charges for services.....	1.05	0.70
Court Fines and forfeitures.....	4.94	5.41
Miscellaneous.....	4.01	4.12
Total.....	<u>100.00%</u>	<u>100.00%</u>

Source: Audited financial statements for fiscal year ended December 31, 2006 and unaudited financial statements for the fiscal year ended December 31, 2007.

Taxes generate approximately 58% of the City's annual budget. Revenues include sales taxes, a utilities gross receipts tax and a property tax.

Sales Taxes. The City's largest source of revenue is its share of a 1% county-wide sales tax on retail sales through a pool comprised of unincorporated St. Louis County and many of the cities throughout St. Louis County. Cities in the pool receive a share based upon their population as a percentage of the pool population. Population figures are adjusted decennially, based on the latest census figures.

Sales tax revenues account for approximately 35% of the City's tax revenue. The following table sets forth historical sales tax collections for the existing 1.0% general sales tax, the existing 1/2% capital improvements sales tax, and the existing 1/2% park sales tax:

<u>Year</u>	<u>1% General Sales Tax⁽¹⁾</u>	<u>1/2% Capital Improvements Sales Tax</u>	<u>1/2% Park Sales Tax⁽²⁾</u>
2002	\$5,692,537	\$3,832,188	N/A
2003	5,576,628	3,761,895	N/A
2004	5,714,766	3,896,523	N/A
2005	6,031,161	4,230,947	\$3,422,207
2006	6,125,000	4,178,612	4,850,000
2007	6,308,750 ⁽³⁾	4,246,175 ⁽³⁾	4,995,500 ⁽³⁾

⁽¹⁾ 1% general sales tax is part of the St. Louis County-wide-sharing pool. Chesterfield receives sales tax based upon its population and the total available in the pool.

⁽²⁾ The voters of the City approved a 1/2% parks sales tax in 2004 for park-related improvements in the City. The park sales tax was levied on April 1, 2005, with actual receipts being received in June 2005.

⁽³⁾ Estimated revenues according to the budget for the fiscal year ended December 31, 2007.

Source: Budget for the Fiscal Year ended December 31, 2007 and audited financial statements for the fiscal years ended December 31, 2002 through December 31, 2006.

Utilities Gross Receipt Tax. The City levies a 5% gross receipts tax on electric, gas, telephone and water companies within the City. The utility tax accounts for approximately 28% of the City's revenues. The utility tax is collected by the utility companies at the time of monthly billing and is remitted to the City within 20 days following the last day of each month.

Property Tax. Since its incorporation in 1988, the City has experienced large growth in assessed valuation, the highest of all cities in St. Louis County. However, property tax contributes very little to the City's revenue. The City currently levies only \$.06 per \$100 of assessed valuation, which is used exclusively to pay debt service on the City's general obligation bonds.

DEBT STRUCTURE OF THE CITY

Debt Ratios and Related Information

Estimated Population (2008):	48,000
Assessed Valuation (2007) ⁽¹⁾ :	\$1,896,724,862
Estimated Actual Value (2007) ⁽²⁾ :	\$8,371,495,738
Outstanding Direct Debt ⁽³⁾ :	\$23,055,000*
Overlapping General Obligation Debt:	\$91,843,793
Per Capita Direct Debt:	\$480.31*
Per Capita Direct and Overlapping General Obligation Debt:	\$2,393.72*
Ratio of Direct Debt to Assessed Valuation:	1.22%*
Ratio of Direct Debt to Estimated Actual Value:	0.28%*
Ratio of Direct and Overlapping Debt to Assessed Valuation:	6.06%*
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value:	1.37%*

- ⁽¹⁾ Includes real and personal property as provided by the St. Louis County Collector. For further details see "PROPERTY TAX INFORMATION."
- ⁽²⁾ Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. This amount also includes tax increment financing. For a detail of these different classes and ratios see "PROPERTY TAX INFORMATION."
- ⁽³⁾ Includes the Bonds; excludes the Refunded Bonds.

General Obligation Indebtedness

As of March 4, 2008 (the expected date of issuance of the Bonds), the City will have the following series of general obligation bonds outstanding:

<u>Name of Bonds</u>	<u>Date of Bonds</u>	<u>Principal Amount Outstanding⁽¹⁾</u>
General Obligation Bonds, Series 1999	May 1, 1999	\$ 635,000
General Obligation Refunding Bonds, Series 2005	February 24, 2005	17,165,000
General Obligation Refunding Bonds, Series 2008	March 4, 2008	<u>5,255,000*</u>
Total		<u>\$23,055,00*</u>

⁽¹⁾ Includes the Bonds; excludes the Refunded Bonds.

* Preliminary; subject to change.

Computation of Legal Debt Margin. Article VI, Sections 26(b) and 26(c) of the Constitution of Missouri limit the net outstanding amount of authorized general obligation bonds for a city to 10 percent of the assessed valuation of the city. Article VI, Sections 26(d) and 26(e), however, provide that a city may, with the required voter approval, issue general obligation bonds in an amount not to exceed an additional 10 percent of assessed valuation for the purpose of acquiring rights-of-way; constructing, extending and improving streets and avenues; constructing, extending and improving sanitary or storm sewer systems; or purchasing or constructing waterworks or electric light plants; provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt margin of the City based upon the 2007 assessed valuation, including state and locally assessed railroad and utility property, is calculated as follows:

Constitutional Debt Limit (20% of Assessed Valuation)	\$379,344,972.40
Less: Total General Obligation Indebtedness	<u>23,055,000.00*</u>
Legal Debt Margin	<u>\$356,289,972.40*</u>

Direct and Overlapping General Obligation Indebtedness

The following table sets forth the general obligation indebtedness of the overlapping indebtedness of political subdivisions with boundaries overlapping the City that will be outstanding on March 1, 2008, and the percent attributable (on the basis of assessed valuation) to the City. The table was compiled from information furnished by the jurisdictions responsible for the debt, and the City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Monarch-Chesterfield Levee District ⁽¹⁾	\$ 31,470,000	99.70%	\$ 31,375,590
Metro West Fire Protection District	5,970,000	72.90	4,352,130
Parkway School District	105,697,100	24.58	25,980,347
Rockwood School District	136,634,733	17.35	23,706,126
Monarch Fire Protection District	2,350,000	73.47	1,726,545
St. Louis County	<u>66,710,000</u>	7.05	<u>4,703,055</u>
Totals	<u>\$348,831,833</u>		<u>\$91,843,793</u>

⁽¹⁾ Outstanding obligations of the Monarch-Chesterfield Levee District are payable from a special tax levied and assessed against the property within the Monarch-Chesterfield Levee District.

Source: Taxing jurisdictions' records and telephone surveys.

Other Obligations of the City

Obligations secured by annually appropriated funds do not constitute an indebtedness for purposes of any Missouri statutory or constitutional debt limit. Such obligations are payable solely from annually appropriated funds of a governmental body available therefor and neither taxes nor a specific source of revenues can be pledged to make payments on such obligations. Any increase in taxes required to generate sufficient funds with which to make payments on such obligations are subject to voter approval.

In November 2002 the City issued \$2,325,000 original principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2002 (the "Series 2002 Certificates") to provide funds to pay

* Preliminary; subject to change.

the costs of refunding the Certificates of Participation (City of Chesterfield, Missouri, Lessee) Series 1995. As of March 1, 2008, the Series 2002 Certificates will be outstanding in the principal amount of \$1,515,000.

In August 2004 the City issued \$15,820,000 original principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2004 (the "Series 2004 Certificates") to provide funds to advance refund the Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2000. As of March 1, 2008, the Series 2004 Certificates will be outstanding in the principal amount of \$14,600,000.

In January 2005 the City issued \$25,710,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2005 (the "Series 2005 Certificates") to provide funds to acquire land for parks and recreational use and purchase, construct and install trails and other recreational facilities on that land and in other parks currently owned by the City. Lease payments with respect to the Series 2005 Certificates are paid by the City from a portion of a one-half cent local park sales tax approved by the voters of the City in 2004. As of March 1, 2008, the Series 2005 Certificates will be outstanding in the principal amount of \$24,775,000.

Debt Service Requirements

The following schedule shows the yearly principal and interest requirements for all general obligation indebtedness of the City, including the Bonds but excluding the Refunded Bonds:

Fiscal Year Ended <u>December 31</u>	<u>The Bonds</u>			<u>Outstanding Bonds</u>	<u>Total Requirements All Bonds</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2008				\$ 2,385,232.52	
2009				2,186,037.52	
2010				1,978,375.02	
2011				1,996,600.02	
2012				1,981,287.51	
2013				2,015,312.50	
2014				2,013,275.00	
2015				2,014,225.00	
2016				1,997,300.00	
2017				2,008,325.00	
2018				2,056,212.50	
2019				<u>2,057,600.00</u>	
Totals				<u>\$24,689,782.59</u>	

Future Debt

The City is not currently anticipating any future borrowings.

Tax Abatement and Tax Increment Financing

Under Missouri law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted". The Land Clearance for Redevelopment Authority Law authorizes 10-year tax abatement pursuant to Sections 99.700 to 99.715, Revised Statutes of Missouri, as amended. In lieu of 10-year tax abatement, a redeveloper which is an urban redevelopment corporation formed pursuant to Chapter 353, Revised Statutes of Missouri, as amended, may seek real property tax abatement for a total period of 25 years.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri, as amended, makes available tax increment financing for redevelopment

projects in certain areas determined by the governing body of a city to be a "blighted area", "conservation area", or "economic development area", each as defined in such Act.

Currently, a portion of the City is located in a tax increment financing district. Neither tax abatement nor tax increment financing diminishes the amount of property tax revenues currently collected by the City in an affected area, but instead acts to freeze such revenues at current levels and deprives the City and other taxing districts of future increases (in whole or in part, depending on the terms of the transaction) in ad valorem property tax revenues that otherwise would have resulted from increases in assessed valuation in such areas until the tax increment financing obligations issued are repaid or the tax abatement period terminates.

After the flood in 1993, the City Council designated Chesterfield Valley as a redevelopment area under the Act. In connection with that designation, the City prepared the Chesterfield Valley Tax Increment Financing District Redevelopment Plan (the "Plan"). The City has undertaken three economic development projects under the Plan resulting in the issuance of tax increment financing obligations. In 1997, the City issued Tax Increment Revenue Notes in the amount of \$1,058,000 and Taxable Tax Increment Revenue Notes in the amount of \$568,000 to provide for the financing of the area within Chesterfield Valley referred to as Chesterfield Grove (the "1997 Notes"). The 1997 Notes were retired during fiscal year ending December 31, 2001. The City also issued Tax Increment Financing Notes to the Monarch-Chesterfield Levee District (the "Levee District") for the purpose of reimbursing the Levee District for costs incurred with the construction of a 500-year levee and associated wetland mitigation. In 2002, the City issued Tax Increment Financing Refunding and Improvement Revenue Bonds in the amount of \$50,945,000 to provide funds to refinance (i) the outstanding tax increment financing notes held by THF Realty pursuant to the development of the Chesterfield Commons retail center and (ii) a portion of the Levee District notes then outstanding. In December 2007, the City announced that all tax increment financing obligations have been paid in full or funds have been set aside for their payment in full.

History of Debt Payment

The City has never defaulted on any indebtedness.

PROPERTY TAX INFORMATION

Property Valuations

Assessment Procedure. All taxable real and personal property within the City is assessed by the St. Louis County Assessor. Missouri law requires that personal property be assessed at 33-1/3% of true value (except for a few subclasses of minimal value that are assessed at a lower percentage) and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial, railroad and all other real property	32%

On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the City according to the assessment as of January 1, 2007, including state assessed railroad and utility property, subject to final adjustment and equalization:

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$1,155,564,290	19%	\$6,081,917,316
Agricultural	1,441,800	12	12,015,000
Commercial ⁽²⁾	452,064,410	32	1,412,701,281
State Assessed Railroad & Utilities	<u>12,688,156</u>	32	<u>39,650,488</u>
Total Real Estate	<u>\$1,621,758,656</u>		<u>\$7,546,284,085</u>
Personal Property:			
General ⁽¹⁾	\$ 272,468,460	33-1/3 ⁽²⁾	817,406,197
State Assessed Railroad & Utilities	<u>2,497,746</u>	32	<u>7,805,456</u>
Total Personal Property	<u>\$274,966,206</u>		<u>\$825,211,653</u>
Totals	<u>\$1,896,724,862</u>		<u>\$8,371,495,738</u>

⁽¹⁾ Includes assessed valuation for Locally Assessed Railroad & Utilities.

⁽²⁾ Assumes all personal property is assessed at 33-1/3%; because certain subclasses of tangible personal property are assessed at less than 33-1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" above.

Source: St. Louis County Collector's Office.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the City, including state and locally assessed railroad and utility property, according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2002	\$1,238,510,118	N/A
2003	1,280,185,311	3.36%
2004	1,299,046,630	1.47
2005	1,433,191,828	10.33
2006	1,460,525,888	1.91
2007	1,738,658,532	19.04

Source: St. Louis County Collector's Office.

Property Tax Levies and Collections

The City's property tax is levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on the January 1 following the due date. The City's tax rate was levied at \$.06 per \$100 of assessed valuation and is for retirement of general obligation bonds payable.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the "County

Collector") in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in municipal taxes receivable in the accompanying fund financial statements.

Property Tax Levies. The following table shows the City's tax levies (per \$100 of assessed valuation) for each of the last five years:

<u>Fiscal Year Ended</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Levy</u>
2002	\$0.00	\$0.06	\$0.06
2003	.00	.06	.06
2004	.00	.06	.06
2005	.00	.06	.06
2006	.00	.06	.06
2007	.00	.06	.06

Source: City's 2007 Budget.

Property Tax Collection Record. The following table sets forth property tax collection⁽¹⁾ information for the City for the years 2000 through 2006.

<u>Fiscal Year Ended</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>	<u>Percent of Total Taxes Collected⁽²⁾</u>
2002	\$743,335	\$710,073	95.53%	\$36,437	\$746,510	100.43%
2003	769,266	636,567	82.75	42,524	679,091	88.28
2004	820,561	745,553	90.86	124,405	869,958	106.02
2005	859,225	766,729	89.23	24,074	790,803	92.04
2006	876,914	840,731	95.87	91,348	932,079	106.29

⁽¹⁾ Tax collection figures are inclusive of payments in lieu of taxes allocable to the incremental increase in assessed valuation over the established base assessed valuation for real property within a tax increment financing district within the City.

⁽²⁾ Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of current and delinquent taxes collected to exceed 100%.

Source: St. Louis County Collector's office.

Major Property Taxpayers

The ten largest property taxpayers in the City according to their 2007 assessed valuations are listed below:

<u>Name</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Value</u>
1. THF Chesterfield Development LLC	\$ 45,753,060	2.41
2. Pfizer, Inc.	35,473,930	1.87
3. Pharmacia Corporation	21,253,600	1.12
4. WEA Chesterfield LLC	21,107,170	1.11
5. FSP Timberlake Corporation	18,269,210	0.96
6. AmerenUE	12,515,085	0.66
7. Chesterfield Village Inc.	12,187,800	0.64
8. Dierbergs Four Seasons/Chesterfield Village	9,646,870	0.51
9. Scott Family Properties	9,291,030	0.49
10. N N N One Chesterfield Place LLC	8,120,990	0.43
	<u>193,618,745</u>	<u>10.20%</u>

* * *

APPENDIX B

INDEPENDENT AUDITORS' REPORT

AND

AUDITED FINANCIAL STATEMENTS

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

FORM OF BOND COUNSEL OPINION

Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, proposes to issue its approving opinion upon the issuance of the Bonds in substantially the following form:

Mayor and City Council
Chesterfield, Missouri

Re: \$_____ City of Chesterfield, Missouri, General Obligation Refunding Bonds,
Series 2008

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Chesterfield, Missouri (the "City"), of the above-captioned bonds (the "Bonds").

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding general obligations of the City, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.
2. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to interest on the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,