

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: November 12, 2015

**REGARDING: RESOLUTION PROVIDING FOR THE OPTIONAL REDEMPTION OF CERTAIN SALES TAX REVENUE BONDS (CIVIC CENTER PROJECT), SERIES 1993 PREVIOUSLY ISSUED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA AND APPROVING THE EXECUTION AND DELIVERY OF ANY NECESSARY DOCUMENTS
(District 17, Ward 2)**

Requested Board Action

Approval of the attached resolution authorizing the optional redemption of the 1993 HRA Sales Tax Revenue Bonds (the “1993 Bonds”), and execution and delivery of any necessary documents.

Background

The HRA issued \$65 million in Sales Tax Revenue Bonds in 1993 (the “1993 Bonds”) to finance the expansion and remodeling of the Civic Center. In 1996, the HRA issued \$55.865 million in refunding bonds to advance refund the 1993 Bonds (the “1996 Bonds”). The 1993 Bonds were defeased to maturity (November 1, 2023) with securities in an Escrow Account funded by the proceeds of the 1996 Bonds. The HRA retained the rights to optionally redeem the 1993 Bonds in the executed documents.

In 2014, the HRA authorized the advance refunding of the 1996 Bonds. A defeasance escrow was funded to the call date of November 1, 2015 from the sale proceeds of the City's 2014 Taxable Revenue Refunding Notes (State of MN Continuing Grant Appropriation). As of November 2, 2015, the 1996 Bonds have been fully redeemed.

With the redemption of the 1996 Bonds, the Director, Office of Financial Services has recommended that the HRA authorize the optional redemption of the 1993 Bonds.

Budget Action

No Budget Action is needed to call and redeem the previously defeased 1993 Bonds.

Future Action

N/A

Financing Structure

The 1993 Bonds will be redeemed with funds from the Escrow Account.

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

The public purpose achieved will be the redemption of the 1993 Bonds and termination of the Escrow.

Recommendation:

The HRA Executive Director recommends approval of the attached Resolution which authorizes the optional redemption of the 1993 HRA Sales Tax Revenue Bonds and execution of necessary documents.

Sponsored by: Chair Brendmoen

Staff: Jenny Wolfe, 266-6680