


SAINT PAUL PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS
(Regular Meeting of October 25, 2016) **DATE:** October 14, 2016

FROM: Laurie J. Hansen 

SUBJECT: APPROVAL OF THE ISSUANCE OF UP TO \$10,650,000
OF LIMITED TAX-SUPPORTED REFUNDING AND NEW MONEY BONDS
SERIES 2016-5 & 2016-6
RESOLUTION NO. 4587

Action Requested:

Approval of the issuance of Series 2016-5 Bonds to refund the Series 2007-2 Limited Tax-Supported Bonds and Series 2016-6 New Money Bonds.

Public Purpose:

The refunding will result in interest savings and provide funds for future development projects.

Business Subsidy

N/A

Background:

The Series 2007-2 Bonds were issued on February 1, 2007 to fund the Brownfield Redevelopment Program. The proceeds were used in the development of the Pelham, Beacon Bluff, Minnehaha, and Griffin sites. The bonds are callable on February 1, 2017.

These bonds have an average coupon of 4.79%. The refunding bonds can be issued at approximately 2% resulting in a present value savings of approximately 15%.

Current Status:

The mandatory levy is used to pay the debt service of these bonds. The debt service levy would remain the same. The levy not used to pay debt service on the refunding bonds, Series 2016-5, would be used to issue additional bonds, the Series 2016-6 Bonds. This will result in approximately \$1,400,000 for future development projects

Proposal:

Bonds: \$10,650,000 (not to exceed) Series 2016-5 Limited Tax- Supported Refunding Bonds and 2016-6 New Money Bonds.

The Port Authority's current mandatory levy will provide debt service on both bond issues.

Rate: Approximately 2.0%

Security: Mandatory Levy of the Port Authority

Maturity: March 1, 2037

Issuer: Saint Paul Port Authority

Bond Counsel: Barnes & Thornburg

Financial Advisor: PFM Financial Advisors, LLC

Disclosure:

The Port Authority Commissioners by SEC rules are obligated to disclose any risks or facts you may be aware of that would affect the probability of repayment of this note.

Recommendation:

We recommend approval of the issuance of Series 2016-5 and 2016-6 Limited Tax-Supported Refunding and New Money Bonds.

LJH:amk