

Exhibit B
RECORD OF
2013 CITY INTERNAL LOAN
(LOWERTOWN BALLPARK PROJECT)
_____ XX, 2013

This Record of Interfund Loan is executed by the City of Saint Paul's Director, Office of Financial Services, and the Parks and Recreation Director ("Parks") to memorialize an Internal Loan for the City's Lowertown Ballpark Project and its repayment.

WHEREAS, the City wishes to assist the Parks and Recreation Department with funds of up to \$6,000,000 as part of the Lowertown Ballpark Project which was previously approved in RES PH 12-213 on July 18, 2012; and

WHEREAS, it has been agreed that the City make an internal loan as part of City Budget resolution RES PH 13-184 approved on July 24, 2013 after a public hearing. The advance, until repaid, will bear interest at the City treasury portfolio investment rate. This advance from F070 is expected to be repaid from external funding sources including grants; and

WHEREAS, the advance, until repaid, will bear interest at the monthly City treasury portfolio investment rate (the "Pool Rate"). The Pool Rate is variable and reset monthly by City Treasurer; and

NOW, THEREFORE, The Director of the Office of Financial Services and Parks Director memorialize the Internal Loan for the Lowertown Ballpark Project as follows:

1. Purpose. The purpose of this document is to memorialize the Internal Loan for the Lowertown Ballpark Project from Fund 070 and to serve as guidance in coordinating actions of the City and its Office of Financial Services and its Parks Department with respect to such advances and required encumbrances, and repayments.
2. Authority. This document was authorized by, and carries out, resolution RES PH 13-184 adopted by the City Council on July 24, 2013.
3. Interest. Interest will accrue on the advance at the City treasury portfolio investment rate ("Pool Rate"). Pool Rate is variable and reset monthly by City Treasurer.
4. Advances. Fund 070 will advance up to \$6,000,000 to pay for costs associated with the Lowertown Ballpark project as approved by the Director of the Office of Financial Services on or after a closing of the Lowertown Ballpark Project Financing expected in 2013. Each time there is an advance from the Internal Loan, the Parks Accountant will record the amount of the advance and the amount of the outstanding balance of the Internal Loan and send to the City's Chief Accountant and OFS Treasury Debt Section. Advances shall not be more often than monthly.

5. Repayment. The Parks and Recreation Department will reimburse this advance from F070, including accrued interest, from external funding sources including grants, and ballpark revenues including additional tenant rent. The advance will be repaid from the C-12 project fund (where other project funds, including grants and other funding sources are being deposited), ballpark operating accounts or from other funds which must be approved by the OFS Director.

OFS Treasury Debt Section or the City's Chief Accountant will provide the prior monthly Pool Rates to the Parks Accountant for the annual repayment amount due. The Loan is repayable at Par plus any interest due.

6. Term. Internal Loan matures five years after the initial advance

Signed this ____ day of _____, 2013.

Todd Hurley
Director, Office of Financial Services

Michael Hahm
Director, Parks and Recreation

Approved to Form:

Assistant City Attorney

Exhibit A – Illustrative Example of Repayment Schedule

Exhibit B – 2013 City Resolution approving the Internal Loan for the Lowertown Ballpark
Project RES PH 13-184

Exhibit A - Illustrative Example
2013 City Internal Loan (Lowertown Ballpark Project)

Principal draw: \$ 6,000,000
 Est. Pool Interest rate: 2.25%

Date	Beginning Balance	Interest	Repayment (P)	Total due	Outstanding Balance
1/1/2014	6,000,000	-	-	-	6,000,000
6/1/2014	6,000,000	135,000	-	-	6,000,000
12/1/2014	6,135,000	138,038	-	-	6,135,000
6/1/2015	6,273,038	141,143	-	-	6,273,038
12/1/2015	6,414,181	144,319	100,000	658,500	5,755,681
6/1/2016	5,900,000	132,750	520,000	652,750	5,247,250
12/1/2016	5,380,000	121,050	530,000	651,050	4,728,950
6/1/2017	4,850,000	109,125	540,000	649,125	4,200,875
12/1/2017	4,310,000	96,975	560,000	656,975	3,653,025
6/1/2018	3,750,000	84,375	575,000	659,375	3,090,625
12/1/2018	3,175,000	71,438	600,000	671,438	2,503,563
6/1/2018	2,575,000	57,938	625,000	682,938	1,892,063
12/1/2018	1,950,000	43,875	625,000	668,875	1,281,125
6/1/2019	1,325,000	29,813	650,000	679,813	645,188
12/1/2019	675,000	15,188	675,000	690,188	-
Totals:		1,321,025	6,000,000	7,321,025	

Assumptions:

1. Entire approved amount (\$6,000,000) is drawn on January 1, 2014 and interest is calculated based on a 360 day year.
2. The City pool rate is assumed to be a constant 3.0%. Please note pool rate is determined monthly and varies from month to month.
3. Estimated repayment schedule, the actual repayment will depend on draw frequency and amount, as well as the availability of grants and other funds. Prepayments can be made as funds become available and will reduce future interest expense and loan amortization.



City of Saint Paul

City Hall and Court
House
15 West Kellogg
Boulevard
Phone: 651-266-8560

Signature Copy

Resolution-Public Hearing: RES PH 13-184

File Number: RES PH 13-184

Amending the financing and spending plans in the Lowertown Ballpark Project in the amount of \$9,000,000, and designating the St. Paul Port Authority as the issuer of Taxable Limited Tax-Supported Ballpark Revenue Bonds.

WHEREAS, on July 18, 2012 the Saint Paul City Council approved *RES PH 12-213* (see Attachment A), establishing a \$54,000,000 budget for the Lowertown Ballpark Project (the "Ballpark"); and

WHEREAS, unexpected site conditions required additional expenses to the Ballpark that were not anticipated in the original budget; and

WHEREAS, to cover these unanticipated expenses, the City will contribute \$2,000,000, and the St. Paul Saints Baseball Club, Inc. will contribute \$1,000,000; and

WHEREAS, the remaining \$6,000,000 required for the project will be funded through an internal loan, which is expected to be reimbursed by external funding sources, including grants; and

WHEREAS, a future Council resolution will establish a record of internal loan; and

WHEREAS, MN Statute 116J.433 allows the City of Saint Paul to deliver the project through a design-build or construction manager at-risk method; and

WHEREAS, the City of Saint Paul (the "City") has requested that the Port Authority of the City of Saint Paul (the "Port Authority") participate in the financing of a new multi-purpose regional ballpark (the "Ballpark") through the issuance of Taxable Limited Tax-Supported Ballpark Revenue Bonds, Series 2013 (the "Port Authority Bonds"), and the application of the proceeds derived from the sale of the Port Authority Bonds to the payment of a portion of the capital costs of the Ballpark; and

WHEREAS, the payment of the debt service on the Port Authority Bonds is proposed to be secured by, and is expected to be paid from, payments to be made by the St. Paul Saints Baseball Club, Inc., a Minnesota corporation (the "Saints"), and other revenue sources; and

WHEREAS, as additional security for the Port Authority Bonds, the Port Authority Bonds are proposed to be secured by the pledge of a mandatory tax levy authorized by Minnesota Statutes, Section 469.053, subdivisions 4 and 5 (the "Tax Levy Act"); and

WHEREAS, as a condition to the authorization of a mandatory tax levy under the Tax Levy Act, the City Council must first adopt a resolution stating the proposed annual amount of the mandatory levy increase that the Port Authority would be entitled to request each year during the proposed term of the mandatory tax levy, and that the City would be required (upon such request) to impose for payment of the debt service on the Port Authority Bonds;

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that there are available for appropriation, funds of \$9,000,000;

NOW THEREFORE, in consideration of the foregoing, it is hereby resolved by the City Council of the City of Saint Paul, as follows:

1. In accordance with Laws of Minnesota 1976, Chapter 234, the City Council hereby consents to the issuance of the Port Authority Bonds, the exact details of which, including but not limited to, provisions relating to the principal amount, maturities, interest rates, discount, redemption, and for the issuance of additional bonds are to be determined by the Port Authority, pursuant to a resolution adopted by the Port Authority, and the City Council hereby authorizes the issuance of any refunding bonds which are found by the Port Authority to be necessary for carrying out the purposes for which the Port Authority Bonds are to be issued.

2. The application of the proceeds derived from the sale of the Port Authority Bonds to the financing of a portion of the capital costs of the Ballpark is hereby approved.

3. The City Council hereby approves an increase in the mandatory tax levy authorized by the Tax Levy Act of up to \$800,000 per annum during the term of the Port Authority Bonds which term shall commence in 2015 and extend to a year not later than 2043.

4. The Port Authority is hereby authorized and directed to request a mandatory tax levy in the annual amount required to pay the debt service of the Port Authority Bonds during the term of the Port Authority Bonds, provided however on an annual basis the Port Authority must cancel the levy if it is not needed to pay debt service on the Port Authority Bonds.

5. In accordance with the requirements of the Tax Levy Act, this resolution granting preliminary approval to an increase in the mandatory tax levy authorized by the Tax Levy Act, together with a notice of public hearing on this resolution, is directed to be published for two successive weeks in the official newspaper of the City and a newspaper of general circulation in the City; a date for a public hearing on the question of increasing the mandatory tax levy shall be established, which date shall occur between two and four weeks after the first publication of the notice of public hearing; and the public hearing shall be held before this City Council on the question of the proposed increase in the mandatory tax levy under the terms of the Tax Levy Act.

6. In the event that following the public hearing referred to herein, the City Council grants final approval to the proposed increase in the mandatory tax levy, the City hereby agrees that it will take no action that would adversely affect the ability of the Port Authority to request and receive a mandatory tax levy for the purposes set forth herein under the terms of the Tax Levy Act.

FINALLY, BE IT RESOLVED by the Council of the City of Saint Paul, upon recommendation of the Mayor and advice of the Long Range Capital Improvement Budget Committee, approves the amendments to the Capital Improvement and Operating budgets as detailed in the attached financial analysis (See Attachment B).

Financial Analysis

See Attachment B.

CIB Recommendation

The St. Paul Long-Range Capital Improvement Budget Committee received this request on August

12, 2013 and recommended approval.

At a meeting of the City Council on 7/24/2013, this Resolution-Public Hearing was Passed.

Yea: 6 Councilmember Bostrom, Councilmember Brendmoen, Councilmember Khaliq, City Council President Lantry, Councilmember Thune, and Councilmember Tolbert

Nay: 0

Absent: 1 Councilmember Stark

Vote Attested by
Council Secretary Trudy Moloney
Trudy Moloney

Date 7/24/2013

Approved by the Mayor Chris Coleman
Chris Coleman

Date 7/30/2013

