

July 13, 2011

## Sale Report

City of Saint Paul, Minnesota

\$3,150,000 Taxable General Obligation Tax  
Increment Refunding Bonds (U.S. Bank  
Operations Center Project) Series 2011F

**SAINTPAULMINNESOTA** The most livable city in America 



City of Saint Paul, MN  
Results of Bond Sale – July 13, 2011

**\$3,150,000 Taxable General Obligation Tax Increment Refunding Bonds (U.S. Bank Operations Center Project) Series 2011F**

**Purpose:** The proceeds of the Series 2011 Bonds, along with certain other funds of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Authority"), will be used by the City to (i) refund and prepay the Authority's Tax Increment Revenue Bonds (U.S. Bank Operations Center Project), Series 2001 issued in the original aggregate principal amount of \$12,000,000 and currently outstanding in the principal amount of \$9,835,000, (ii) reimburse the Authority for a portion of its contribution for tax increment eligible costs relating to the construction of an operations center leased to and occupied by U.S. Bank National Association, and (iii) pay certain costs of issuance relating to the Series 2011 Bonds.

**Rating:** Standard & Poor's "AAA" (stable outlook)  
Moody's "Aa1" (positive outlook)

**Number of Bids:** 13

**Low Bidder:** BMO

**True Interest Cost:** 1.1476%

	<b>Low Bid</b>	<b>High Bid</b>	<b>Interest Savings</b>
Interest Savings from Lowest to Highest Bid:	1.1476%	2.00%	\$65,204

Summary of Results:	<b>Projected</b>	<b>Results of Sale</b>	<b>Difference</b>
Principal Amount *:	\$3,150,000	\$3,060,000	-\$90,000
True Interest Cost:	1.99%	1.149%	-0.85%
Cost of Issuance:	\$22,238	\$21,349	-\$889
Coupon Rates:	.95 - 2.1%	2 - 2	
Avg annual DS:	\$787,500	\$765,000	-\$22,500

**Closing Date:** August 15, 2011

**Recommended Council Action:** Approve resolution awarding the sale of bonds to BMO

**Attachments:**

- Bid Tabulation
- Updated Debt Service Schedules
- BBI Graph
- Bond Resolution (Distributed in Council Packets)

\* The size of the bond issue changed from the projected amount due to a reduction in bond proceeds needed, reduction in underwriters' discount, and a decrease in costs of issuance.

## BID TABULATION

**\$3,150,000\* Taxable General Obligation Tax Increment Refunding Bonds  
(U.S. Bank Operations Center Project), Series 2011F**

**CITY OF SAINT PAUL, MINNESOTA**

**SALE: July 13, 2011**

**AWARD: BMO CAPITAL MARKETS GKST INC.**

**RATING:** Moody's Investors Service, Inc. "Aa1"  
Standard & Poor's Credit Markets "AAA"

**BBi: 4.65%**

NAME OF BIDDER	MATURITY (August 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
BMO CAPITAL MARKETS GKST INC. Chicago, Illinois	2012	2.000%	0.500%	\$3,215,204.20	\$90,845.80	1.1476%
	2013	2.000%	0.780%			
	2014	2.000%	1.100%			
	2015	2.000%	1.350%			
UNITED BANKERS' BANK Bloomington, Minnesota	2012	0.400%		\$3,140,865.00	\$90,091.78	1.1550%
	2013	0.650%				
	2014	1.000%				
	2015	1.400%				
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota	2012	0.500%		\$3,145,873.50	\$90,951.31	1.1647%
	2013	0.700%				
	2014	1.050%				
	2015	1.500%				
PIPER JAFFRAY & CO. Minneapolis, Minnesota	2012	0.400%		\$3,138,375.00	\$93,346.61	1.1975%
	2013	0.700%				
	2014	1.000%				
	2015	1.400%				
BAIRD Milwaukee, Wisconsin	2012	0.650%		\$3,140,331.25	\$93,952.67	1.2053%
	2013	0.850%				
	2014	1.000%				
	2015	1.350%				
MORGAN KEEGAN Memphis, Tennessee	2012	0.500%		\$3,143,001.25	\$94,099.00	1.2062%
	2013	0.850%				
	2014	1.100%				
	2015	1.400%				

\*Subsequent to bid opening the issue size was decreased to \$3,060,000.

Adjusted Price - \$3,123,427.75

Adjusted Net Interest Cost - \$88,692.25

Adjusted TIC - 1.1493%

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## Saint Paul, Minnesota

\$3,060,000

Taxable General Obligation Tax Increment Refunding Bonds, Series 2011F

## Sources & Uses

Dated 08/15/2011 | Delivered 08/15/2011

### Sources Of Funds

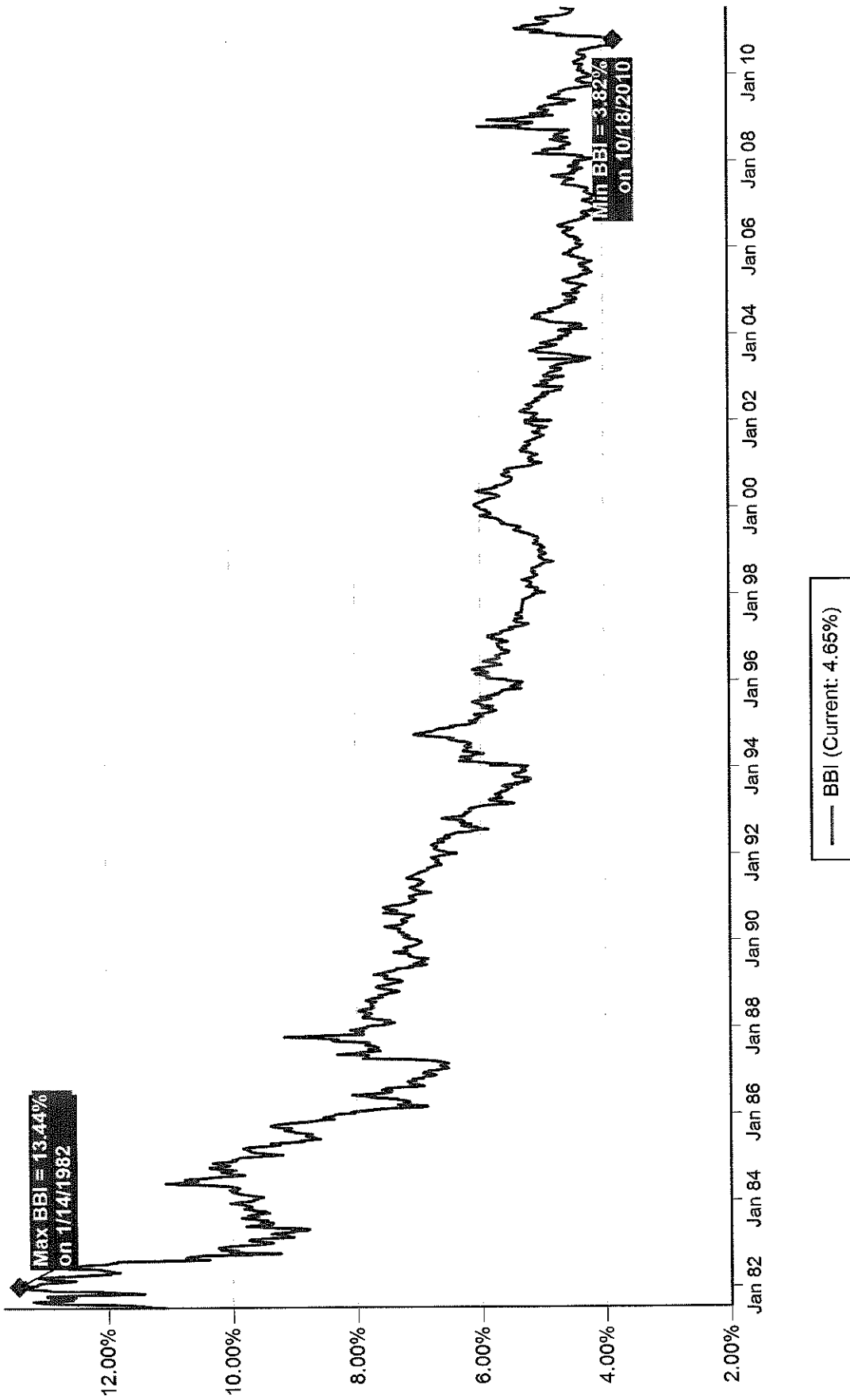
Par Amount of Bonds	\$3,060,000.00
Reoffering Premium	68,446.15
<b>Total Sources</b>	<b>\$3,128,446.15</b>

### Uses Of Funds

Deposit to Project Construction Fund	3,100,000.00
Costs of Issuance	21,349.77
Total Underwriter's Discount (0.164%)	5,018.40
Rounding Amount	2,077.98
<b>Total Uses</b>	<b>\$3,128,446.15</b>

# 30 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates July, 1981 - July, 2011



Source: The Bond Buyer






July 13, 2011

## Sale Report

City of Saint Paul, Minnesota

\$8,980,000 General Obligation Tax Increment  
Refunding Bonds (U.S. Bank Operations Center  
Project) Series 2011G

**SAINTPAULMINNESOTA** The most livable city in America



City of Saint Paul, MN  
Results of Bond Sale – July 13, 2011

**\$8,980,000 General Obligation Tax Increment Refunding Bonds (U.S. Bank Operations Center Project) Series 2011G**

**Purpose:** The proceeds of the Series 2011 Bonds, along with certain other funds of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Authority"), will be used by the City to (i) refund and prepay the Authority's Tax Increment Revenue Bonds (U.S. Bank Operations Center Project), Series 2001 issued in the original aggregate principal amount of \$12,000,000 and currently outstanding in the principal amount of \$9,835,000, (ii) reimburse the Authority for a portion of its contribution for tax increment eligible costs relating to the construction of an operations center leased to and occupied by U.S. Bank National Association, and (iii) pay certain costs of issuance relating to the Series 2011 Bonds.

**Rating:** Standard & Poor's "AAA" (stable outlook)  
Moody's "Aa1" (positive outlook)

**Number of Bids:** 6

**Low Bidder:** Piper Jaffray

**True Interest Cost:** 3.3154%

	<b>Low Bid</b>	<b>High Bid</b>	<b>Interest Savings</b>
<b>Interest Savings from Lowest to Highest Bid:</b>	3.3154%	3.5939%	\$271,829

	<b>Projected</b>	<b>Results of Sale</b>	<b>Difference</b>
<b>Summary of Results:</b>			
Principal Amount *:	\$8,980,000	\$8,870,000	-\$110,000
Discount Allowance:	\$71,840	\$37,375	-\$34,465
True Interest Cost:	3.53%	3.32%	-0.22%
Cost of Issuance:	\$63,586	\$61,675	-\$1,911
Coupon Rates:	1.7 - 4.1%	2.0 - 4.0%	
Avg annual DS:	\$713,529	\$699,122	-\$14,407
Present Value Savings	\$3,397,100	\$3,585,001	\$187,901
Savings % of Refunded DS	27.18%	28.58%	

**Closing Date:** August 15, 2011

**Recommended Council Action:** Approve resolution awarding the sale of bonds to Piper Jaffray, with the low TIC and premium

**Attachments:**

- Bid Tabulation
- Updated Debt Service Schedules
- Bond Resolution (Distributed in Council Packets)

\* The size of the bond issue changed from the projected amount due to a reduction in bond proceeds needed, reduction in underwriters' discount, and a decrease in costs of issuance.

# BID TABULATION

**\$8,980,000\* General Obligation Tax Increment Refunding Bonds  
(U.S. Bank Operations Center Project), Series 2011G**

**CITY OF SAINT PAUL, MINNESOTA**

**SALE:** July 13, 2011

**AWARD:** PIPER JAFFRAY & CO.

**RATING:** Moody's Investors Service, Inc. "Aa1"  
Standard & Poor's Credit Markets "AAA"

**BBI:** 4.65%

NAME OF BIDDER	MATURITY (August 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER JAFFRAY & CO. Minneapolis, Minnesota	2016	2.000%	1.300%	\$9,018,512.05	\$3,423,585.54	3.3154%
	2017	3.000%	1.660%			
	2018	3.000%	2.020%			
	2019	3.000%	2.350%			
	2020	3.000%	2.700%			
	2021	3.000%	3.000%			
	2022	3.000%	3.200%			
	2023	3.250%	3.360%			
	2024	3.375%	3.500%			
	2025	3.500%	3.650%			
	2026	3.625%	3.750%			
	2027	3.750%	3.850%			
2028	4.000%	3.910%				
CITIGROUP GLOBAL MARKETS, INC. Chicago, Illinois	2016	3.000%		\$9,095,454.50	\$3,441,282.12	3.3157%
	2017	3.000%				
	2018	3.000%				
	2019	3.000%				
	2020	3.000%				
	2021	3.000%				
	2022	3.000%				
	2023	3.125%				
	2024	3.375%				
	2025	3.500%				
	2026	4.000%				
	2027	4.000%				
2028	4.000%					

\*Subsequent to bid opening the issue size was decreased to \$8,870,000.

Adjusted Price - \$8,907,375.20

Adjusted Net Interest Cost - \$3,381,186.30

Adjusted TIC - 3.3153%

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**Saint Paul, Minnesota**

\$8,870,000

General Obligation Tax Increment Refunding Bonds, Series 2011G

Current Refunding of HRA TIF Bonds, Series 2001 (US Bank Project)

**Sources & Uses**

Dated 08/15/2011 | Delivered 08/15/2011

**Sources Of Funds**

Par Amount of Bonds	\$8,870,000.00
Transfers from Prior Issue DSR Funds	1,014,106.00
Reoffering Premium	86,869.80
<b>Total Sources</b>	<b>\$9,970,975.80</b>

**Uses Of Funds**

Deposit to Current Refunding Fund	9,859,756.96
Costs of Issuance	61,675.23
Total Underwriter's Discount (0.558%)	49,494.60
Rounding Amount	49.01
<b>Total Uses</b>	<b>\$9,970,975.80</b>

## Saint Paul, Minnesota

\$8,870,000

General Obligation Tax Increment Refunding Bonds, Series 2011G

Current Refunding of HRA TIF Bonds, Series 2001 (US Bank Project)

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
08/01/2012	276,361.50	276,361.50	991,620.00	715,258.50
08/01/2013	287,543.76	287,543.76	995,268.75	707,724.99
08/01/2014	287,543.76	287,543.76	991,381.26	703,837.50
08/01/2015	287,543.76	287,543.76	996,115.63	708,571.87
08/01/2016	857,543.76	857,543.76	994,165.63	136,621.87
08/01/2017	856,143.76	856,143.76	995,531.26	139,387.50
08/01/2018	858,743.76	858,743.76	990,059.38	131,315.62
08/01/2019	855,743.76	855,743.76	752,903.13	(102,840.63)
08/01/2020	857,293.76	857,293.76	1,012,912.50	155,618.74
08/01/2021	858,243.76	858,243.76	1,013,912.50	155,668.74
08/01/2022	858,593.76	858,593.76	1,012,312.50	153,718.74
08/01/2023	858,343.76	858,343.76	1,012,675.00	154,331.24
08/01/2024	855,756.26	855,756.26	1,008,568.75	152,812.49
08/01/2025	856,625.00	856,625.00	1,011,425.00	154,800.00
08/01/2026	860,725.00	860,725.00	1,015,400.00	154,675.00
08/01/2027	857,812.50	857,812.50	1,010,493.75	152,681.25
08/01/2028	858,000.00	858,000.00	506,537.50	(351,462.50)
<b>Total</b>	<b>\$12,288,561.62</b>	<b>\$12,288,561.62</b>	<b>\$16,311,282.54</b>	<b>\$4,022,720.92</b>

### PV Analysis Summary (Net to Net)

Net PV Cashflow Savings @ 3.256%(Bond Yield).....	3,585,001.36
Net Present Value Benefit	\$3,585,001.36
Net PV Benefit / \$12,541,871.16 PV Refunded Debt Service	28.584%
Net PV Benefit / \$9,835,000 Refunded Principal...	36.451%
Net PV Benefit / \$8,870,000 Refunding Principal..	40.417%

### Refunding Bond Information

Refunding Dated Date	8/15/2011
Refunding Delivery Date	8/15/2011