

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

**REPORT TO THE COMMISSIONERS**

**DATE: FEBRUARY 13, 2019**

**REGARDING: APPROVING THE PURCHASE BY THE CITY OF SAINT PAUL OF IMPROVEMENTS TO THE RIVERCENTRE PARKING RAMP MADE BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA WITH THE PROCEEDS OF ITS PARKING FACILITY LEASE REVENUE BONDS, SERIES 2009 (RIVERCENTRE PARKING RAMP IMPROVEMENTS) AND THE REDEMPTION OF BONDS, DISTRICT 17, WARD 2**

**Requested Board Action**

The action requested of the HRA board is to approve a resolution authorizing: 1) the purchase by the City of improvements made to the RiverCentre Parking Ramp (the “Improvements”), the acquisition of which was financed with the proceeds of HRA bonds; and 2) the redemption of the HRA bonds.

**Background**

On April 15, 2009, the HRA adopted RES #09-04/15-1 authorizing the issuance of Parking Facility Lease Revenue Bonds, Series 2009 (RiverCentre Parking Ramp Improvements) in the original principal amount of \$6,790,000 (the “2009 Bonds”), and execution of related documents including a lease with the City (the “Lease”). The 2009 Bonds were used to: 1) refund the Parking Facility Lease Revenue Bonds, Series 2000 (RiverCentre Parking Ramp Improvements); and 2) finance additional improvements to the Parking Ramp. The 2009 Bonds are currently outstanding in the principal amount of \$3,150,000. The 2009 Bonds may be redeemed on or after May 1, 2019. The outstanding principal after the May 1, 2019 payment will be \$2,675,000. A map of the parking ramp is attached to this report.

The City payments under the Lease are pledged to the repayment of the Bonds and the City may purchase the Improvements from the HRA for \$1.00 plus the amount necessary to discharge the outstanding 2009 Bonds.

The City desires to exercise its option to purchase the Improvements in order to restructure the City's lease obligation ultimately resulting in lower overall borrowing costs. The City proposes to issue a series of sales tax revenue bonds (the "Series 2019C Bonds") in an amount sufficient to provide necessary funds to the HRA to discharge the Bonds (RES #19-166, to be considered on February 6). The funds will be used to redeem all outstanding principal and interest due on or after May 1, 2019.

The City also proposes to issue a series of sales tax bonds (the "Series 2019A Bonds") that will refund existing sales tax bonds issued by the City in 2009 (the "2009 Sales Tax Bonds") for which tax increments from the Minnesota Event TIF District, created and amended under special laws of the State, are required to be spent. The TIF Plan for the Minnesota Event TIF District, as amended, authorizes tax increments to be spent to pay the principal of and interest on the 2009 Sales Tax Bonds or any bonds issued to refund such bonds. The tax increments from the MN Event TIF District will be required to be spent to pay principal of and interest on the Series 2019A Bonds issued by the City to refund the 2009 Sales Tax Bonds.

#### **Budget Action**

The 2019 budget for the HRA Debt Service Fund will need to increase to accommodate the prepayment of all principal maturing after May 1, 2019, as outlined in the attached Financial Analysis (Budget Amendment).

#### **Future Action**

N/A

#### **Financing Structure**

The City will issue the 2019 Bonds and a portion of the proceeds will be used to acquire the Improvements from the HRA in a sufficient amount for the HRA to redeem all outstanding principal of the 2009 Bonds.

#### **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**

The purchase of the Improvements by the City will produce savings to the City's budget.

**Recommendation:**

The Executive Director recommends approval of the resolution.

**Sponsored by:** Commissioner Noecker

**Staff:** Jenny Wolfe, 266-6680

**Attachments**

- Map
- Financial Analysis (Budget Amendment)