

SAINT PAUL
PORT AUTHORITY

MEMORANDUM

TO: BOARD OF COMMISSIONERS

DATE: March 1, 2016

FROM: Laurie J. Hansen

**SUBJECT: APPROVAL OF THE ISSUANCE OF \$6,000,000 OF
TAXABLE GENERAL OBLIGATION BONDS - SERIES 2016-2
RESOLUTION NO. 4567**

Action Requested: Approval of the issuance of \$6,000,000 of taxable General Obligation Bonds - Series 2016-2.

Background:

The final truth in taxation request by the Port Authority and approved by the City included an increase in the G.O. levy of \$455,000. This increased levy will be used to pay the annual debt service payment and cost of issuance for the new G.O. Bonds.

Current Status:

The new bond proceeds will be used to fund the costs of acquisition, remediation and/or improvement of properties identified by the Port Authority as appropriate for redevelopment. Our bond issue is timed to coincide with the City's spring bond sale, which will result in a savings on cost of issuance both due to utilizing the same rating process and same official statement data.

A pricing committee will be established consisting of two representatives of the Office of Financial Services, a representative of the Port Authority, and a representative of the financial advisor firm. The pricing committee will award the sale of the bonds to the prospective purchaser presenting an offer to purchase the Bonds which is determined to be the most favorable to the Pricing Committee. Pricing is tentatively scheduled for April 28, 2016 with closing expected to be in May, 2016.

The bonds will be backed by the full faith, credit and resources of the City of Saint Paul.

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 on these bonds.

Recommendation:

We recommend approval of the issuance of \$6 million of taxable General Obligation Bonds, Series 2016-2

LJH:ca

Attach.