Special Purpose Plan Relating to the Issuance of General Obligation Bonds and Supplement to the City's Capital Improvement Budget and Program

(Capital Improvement Plan Bond Requirements under MN Statute 475.521)

The City of Saint Paul, (the "City") adopted its 2017 capital improvement budget and program, (the, "Budget") for the years 2017-2021 on December 14, 2016. The Budget completes the financing and spending for (i) the acquisition, installation, and equipping of a public safety training facility (the "Public Safety Training Facility") for use by the City's police and fire departments to be located at 600 Lafayette Road in the City (ii) the construction of a new police communication services and maintenance garage (the "Public Safety Radio Facility"), (iii) the construction and equipping of an administrative facility for the police department (the "Public Safety Police Facility," and collectively, the "Public Safety Project"), in 2017. The Budget proposes the issuance of up to $17,000,000 General Obligation Public Safety Capital Improvement Plan Bonds, (the "Bonds") to finance the Public Safety Project. This capital improvement plan, (the "Plan") for the Bonds is a special purpose plan to ensure compliance with the statutory authority relating to the issuance of the Bonds as general obligation bonds for the Public Safety Project and supplements the Budget for 2017.

This Plan covers a five-year period from calendar year 2017 through 2021. This Plan has set forth the estimated schedule timing, and details of the Project by year, together with the estimated cost, the need for the Project and sources of revenue to pay for the improvement. This Plan is intended to meet the requirements of a Capital Improvement Plan pursuant to Minnesota Statutes 475.521, as amended, (the "CIP Act").

The City Council is considering a public hearing on February 1, 2017 with respect to the issuance of the Bonds and the adoption of this Plan as a supplement to the Budget.

In preparing this Plan, the following criteria as required by the CIP Act have been considered; the Public Safety Project has followed the City's broader capital improvement budget annual review process and has been named as a capital improvement project and the process is described in the Budget.

As required by the CIP Act, the following factors to be considered for the Public Safety Project are as follows (see Exhibit C);

(1) The condition of the City's existing infrastructure, including the projected need for repair or replacement;
(2) The likely demand for the improvement;
(3) The estimated cost of the improvement;
(4) The available public resources;
(5) The level of overlapping debt in the municipality;
(6) The relative benefits and cost of alternative uses of the funds;
(7) Operating costs of the proposed improvements; and

(8) Alternatives for providing services most efficiently through shared facilities with other municipalities or local government units.

This Plan and any annual amendments are approved by the City Council after a public hearing. This Plan may be amended from time to time.

Attachments for Special Purpose Plan ("Public Safety Bonds")

Exhibit A – Public Hearing Notice and copy of MN Statute 475.521 (On file) and Draft City Council Resolution for February 1, 2017 (On File)

Exhibit B – Project Detail Excerpt for the Public Safety Training Facility from the 2017 Adopted Capital Improvement Budget and Program

Exhibit C – MN Statute 475.521 – 8 point factor review

THESE MATERIALS ARE AVAILABLE FOR REVIEW AT THE OFFICE OF FINANCIAL SERVICES LOCATED AT 700 CITY HALL, 15 W. KELLOGG BLVD, SAINT PAUL, MN 55102 UNTIL February 1, 2017 AT 5:30 PM

Contact:
Michael Solomon
City Debt Manager
651-266-8837
Michael.solomon@ci.stpaul.mn.us

Exhibit A – Notice of Public Hearing Published January 12, 2017

NOTICE OF PUBLIC HEARING

CITY OF SAINT PAUL, MINNESOTA

NOTICE OF PUBLIC HEARING ON A PROPOSAL FOR THE ISSUANCE BY THE CITY OF SAINT PAUL OF GENERAL OBLIGATION PUBLIC SAFETY CAPITAL IMPROVEMENT PLAN BONDS UNDER MINNESOTA STATUTES, CHAPTER 475.521, AS AMENDED, AND THE APPROVAL OF A SPECIAL PURPOSE PLAN RELATING TO THE ACQUISITION, INSTALLATION, AND EQUIPPING OF A PUBLIC SAFETY TRAINING FACILITY AND RELATED FACILITIES

NOTICE IS HEREBY GIVEN that the City Council (the "City Council") of the City of Saint Paul, Minnesota (the "City") will hold a public hearing (the "Public Hearing") on Wednesday, February 1, 2017, beginning at or after 5:30 p.m. at the City Council Chambers on the third floor of City Hall, 15 Kellogg Boulevard W., in Saint Paul, Minnesota to consider (i) the issuance of up to $17,000,000 of General Obligation Public Safety Capital Improvement Plan Bonds (the "Public Safety Bonds") pursuant to Minnesota Statutes, Section 475.521, as amended (the "CIP Act") for the purpose of (i) the acquisition, installation, and equipping of a public safety training facility for use by the City's police and fire departments to be located at 600 Lafayette Road in the City (the "Public Safety Training Facility"), (ii) the construction of a new police communication services and maintenance garage (the "Public Safety Radio Facility"), (iii) the construction and equipping of an administrative facility for the police department (the "Public Safety Police Facility," and collectively, the "Public Safety Project"), and (iv) the adoption of a Special Purpose Plan (the "Special Purpose Plan") under the CIP Act for the Public Safety Project.

Following the Public Hearing, the City Council will consider adopting a resolution approving the Special Purpose Plan for the Public Safety Project. If issued by the City, the Public Safety Bonds will be general obligations of the City to which the City pledges its full, faith and credit and general taxing powers.

At the time and place fixed for the Public Hearing, the City Council will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal to issue the Public Safety Bonds and the adoption of the Special Purpose Plan. Written comments will be considered if submitted at the above office on or before the date of the Public Hearing. Interested persons may file written comments with respect to the proposal prior to the public hearing with Shari Moore at the Office of the City Clerk, 3rd floor of the City Hall, 15 Kellogg Boulevard W, Saint Paul, MN 55102 or by calling (651) 266-6690.

If the City Clerk of the City receives a petition signed by voters equal to five percent of the votes cast in the City in the last municipal election within 30 days of the public hearing that requests a referendum on the issuance of the Public Safety Bonds, then the City must hold a referendum with respect to the Public Safety Bonds if they are to be issued under the CIP Act within one year of the receipt of a petition with sufficient signatures.

THE CITY OF SAINT PAUL, MINNESOTA

/s/ Shari Moore
City Clerk

(January 12)

====== ST. PAUL LEGAL LEDGER ======
11248255

Exhibit B – Detail Project Description from the City's 2017 Adopted Capital Improvement Budget and Program

Project: New Facility for Training, Special Investigative Task Force,
Location: 600 Lafayette Road, 1675 Energy Park Drive, and Downtown St. Paul

Log No.: CF-6603207
Activity No.:
Department: Police
Contact: Sgt. Stacy Murphy

District: Citywide

Description:
This project will finance the acquisition and construction of a public safety training facility for use by the City's Police Department located at 600 Lafayette Road. In addition, a new Communication Services and Maintenance garage will be built to house the Police Department's radio facility at 1675 Energy Park Drive. Finally, this project includes the buildout and equipping of an administrative office space for the Police Department in the downtown area.

Justification:
The public safety annex located at 100 E 10th Street is an aging and deficient building which is currently being utilized by the Police Department for several critical needs. The indoor shooting range, defensive tactics training area, training classroom, Special Investigative Task Force Office, storage for the Maintenance Unit, and the Communication Services and Maintenance garage are all housed in the building. There are numerous mechanical and cosmetic concerns with the current facility that are not cost effective to fix and the space does not meet the demands of the City's police force. After evaluating current and future needs, the City has decided to move forward with new facilities for these functions and is evaluating plans for the old public safety annex site.

Phase Description	Financing Source	Priors	2016 Adopted	2017 Adopted	2018 Tentative	2019 Tentative	2020 Tentative	Total (not including priors)
Const-Plans/Spec's	Capital Imp. Bonds	0	1,000	0	0	0	0	1,000
	Public Safety Bonds	0	0	16,250	0	0	0	16,250
	Total Project Cost	**0**	**1,000**	**16,250**	**0**	**0**	**0**	**17,250**

Exhibit C – MN Statute 475.521 factors to be considered for each project

MN Statute 475.521 Review	New Facility for Training, Special Investigative Task Force
(1) The condition of the municipality's existing infrastructure, including the projected need for repair or replacement;	The existing public safety annex, located at 100 E 10th Street, which houses Public safety training, radio shop and office functions, is an aging and deficient building with numerous mechanical and cosmetic concerns that are not cost effective to repair and the space does not meet the modern and necessary needs of the City's growing police force, such as classrooms equipped with technology, modern indoor firing range, and other current training equipment. Further detail about the multiple projects replacing the existing facility and to be funded in part by the Bonds is available on the project descriptions page in the City's 2017 Adopted Capital Improvement Budget and Program.
(2) The likely demand for the improvement;	High Demand due to the multiple purposes fulfilled by the project that relate to primary functions of the police force, the marked improvements from the condition of the existing building, and the increased needs and specialization of training for today's public safety officials.
(3) The estimated cost of the improvement;	Up to $19,250,000
(4) The available public resources;	Proceeds will be from one of the following: capital improvement plan bonds issued under the CIP Act, in addition to donations from private parties, the sale of City assets that are underutilized or obsolete, and other eligible City funds.
(5) The level of overlapping debt in the municipality;	Under the CIP Act and the City's debt limit there is significant capacity with respect to the levy of overlapping debt in the City. The City is substantially below its legal debt limit and maintains two "AAA" bond ratings. Overlapping debt is analyzed biannually by the Joint Property Tax Advisory Committee,

	comprised of the City, Port Authority, County and School District. There is sufficient capacity with respect to the levels of overlapping debt in the City as measured in the Joint Debt Advisory Committee's 2015 Report on Debt overlapping Saint Paul's tax base as well as compared to the legal debt limits of the issuers. The issuance of the Bonds will not markedly impact the available debt capacities of these entities.
(6) The relative benefits and costs of alternative uses of the funds;	Bonding and proceeds from the sale of assets are the most efficient and prudent financing sources for the project allowing the City to utilize existing assets and ongoing financing to pay for the facility over time, as it is utilized. Capital infrastructure for police activities relates to a primary City service and hence the use of General Obligation bonds provides the 'least cost' funding option. General Obligation bonds are generally restricted in use to Capital projects for publically owned facilities.
(7) Operating costs of the proposed improvements; and	Operating costs for the Public Safety Project have been incorporated into the Police department's operating budget and are consistent with past operations and similar new facilities. The construction and occupancy of the Public Safety Project is intended to lower the operating costs for certain public safety departments of the City by moving certain training operations to a modern facility that is more efficient that their old training facility.
(8) Alternatives for providing services most efficiently through shared facilities with other municipalities or local government units.	The City actively pursues and currently participates in the use of shared facilities. Arrangements for shared facilities are evaluated on a case by case basis. This project needs to owned and financed by the City because of the size and sensitive nature of the use of the Public Safety Project.