

**RESOLUTION OF THE
PORT AUTHORITY OF THE CITY OF SAINT PAUL**

[TAX INCREMENT REVENUE REFUNDING NOTE - SERIES 2017-6]

WHEREAS, the Board of Commissioners of the Port Authority of the City of Saint Paul (the “**Port Authority**”) has previously created the River Bend Redevelopment Tax Increment Financing District, and a hazardous substance subdistrict therein (the “**Tax Increment District**”); and

WHEREAS, the Port Authority has previously issued its \$2,685,000 Tax Exempt Tax Increment Revenue Bonds (River Bend Project – Lot 1), Series 2007-5 (the “**Prior Bonds**”) in order to provide long-term financing for the costs associated with the buildings and improvements of approximately 21 acres of land in the Tax Increment District for use as office/warehouse space (the “**Project**”); and

WHEREAS, Port Authority has decided to issue and sell, with the advice of PFM Financial Advisors LLC (the “**Municipal Advisor**”), up to \$1,850,000 Tax Increment Revenue Refunding Note (River Bend Project – Lot 1), Series 2017-6 (the “**Note**”), and use the proceeds to currently refund the Prior Bonds on or around October 3, 2017, in order to achieve debt service savings; and

WHEREAS, the Note will be secured by a pledge of tax increments generated by the Project pursuant to Minnesota Statutes, Section 469.177; and

WHEREAS, Port Authority management and Credit Committee recommend approval of this resolution.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Port Authority of the City of Saint Paul as follows:

1. Authorization. On the basis of information available to the Port Authority, the Port Authority hereby finds that the issuance of the Note is authorized pursuant to Minnesota Statutes, Sections 469.174 to 469.1794 (the “**Act**”). For the purpose of currently refunding the Prior Bonds, paying certain costs of issuance and other expenses in connection with the issuance of the Note, the Port Authority hereby authorizes the issuance, sale and delivery of the Note in a principal amount not exceeding \$1,850,000. The Note shall be issued in the final principal amount, bear interest at the rate, mature and be subject to prepayment, and have such other terms as shall be determined by the President and the Chief Financial Officer of the Port Authority. The Note shall be dated, and in such form and shall have such other terms and details as may be provided in the Note Documents, as described below. The sale of the Note is subject to approval by resolution of the City Council, as required by Minnesota Statutes, Section 469.084, Subd. 11.

2. Security. The Note shall be secured by a pledge by the Port Authority of tax increments received from the Tax Increment District, as further described in the Note Documents.

3. Execution of Note Documents. The President or the Chief Financial Officer of the Port Authority are authorized and directed to execute the following documents in connection with the issuance of the Note (all together, the “**Note Documents**”):

(a) The Loan Agreement, between the Port Authority and Anchor Bank, N.A. (the “**Purchaser**”), in substantially the form on file with the Port Authority as of the date hereof, subject to modifications approved by the President and Chief Financial Officer;

(b) The Note, in substantially the form on file with the Port Authority as of the date hereof, subject to modifications approved by the President and the Chief Financial Officer;

(c) Various documents in form and substance approved by the President and Chief Financial Officer evidencing the purchase of the Note by the Purchaser and providing for the specific terms of the Note; and

(d) An arbitrage or tax certificate, an issuer's certificate, IRS Form 8038-G and such other documents or certificates as may be necessary or convenient in connection with the issuance of the Note and refunding of the Prior Bonds.

4. Findings. The Port Authority hereby finds, determines and declares that:

(a) The issuance and sale of the Note, the execution and delivery by the Port Authority of the Note Documents and the performance of the covenants and agreements of the Port Authority in the Note Documents and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the Note Documents and the Note valid and binding obligations of the Port Authority in accordance with their terms, are authorized by the Act; and

(b) It is in the best interest of the Port Authority that the Note be issued pursuant to the Note Documents in order to currently refund the Prior Bonds and achieve debt service savings.

5. Revenue Obligation. The Note will not be payable from or a charge upon any funds of the Port Authority other than the revenues pledged to the payment thereof under the Note Documents; no holder of the Note shall ever have the right to compel any exercise by the Port Authority or the City of its taxing powers to pay the Note or the interest or any premium thereon, or to enforce payment thereof against any property of the Port Authority or the City except the tax increment pledged by the Port Authority to the payment of the Note; the Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Port Authority or the City except the interests of the Port Authority expressly pledged to the payment thereof under the Note Documents; the Note shall recite that the principal of and interest thereon are payable solely from the revenues pledged to the payment thereof; and the Note shall

not constitute an indebtedness of the Port Authority or the City within the meaning of any constitutional or statutory debt limitation.

6. Tax-Exemption. The Note is to be issued as a tax-exempt essential function bond. The Port Authority hereby covenants not to use the Project or to cause or permit it to be used, in such a manner as to cause the Note to be a "private activity bond" within the meaning of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"). To this end, the Port Authority covenants and agrees that at no time shall payment of principal of, or interest on, more than five percent (5%) of the proceeds of the Note be (under the terms of the Note or any underlying arrangement) directly or indirectly (a) secured by any interest in property used or to be used for a private business use (or by any interest in payments in respect of such property), or (b) derived from payments (whether or not to the Port Authority) in respect of property (or borrowed money) used or to be used for a private business use, all within the meaning of Section 141(b)(2) of the Code. In addition, the Port Authority shall comply with all other requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (c) requirements relating to temporary periods for investments, (d) limitations on amounts invested at a yield greater than the yield on the Note, and (e) the rebate of excess investment earnings to the United States. The Chief Financial Officer of the Port Authority is hereby authorized and directed to retain such consultants and/or attorneys necessary, from time to time, to make any rebate required calculations required by Section 148 of the Code, and the applicable Treasury Regulations.

7. Other Signers; Effect of Execution. In the absence or unavailability of either the President or Chief Financial Officer, any other officer of the Port Authority may execute the Note Documents. The execution of any instrument by the appropriate officer or officers of the Port Authority herein authorized shall be conclusive evidence of the approval of such documents by the Port Authority in accordance with the terms thereof. The execution of any documents necessary for the transaction herein described by the individuals who were at the time of execution thereof the authorized officers of the Port Authority shall bind the Port Authority, notwithstanding that such individuals or any of them has ceased to hold such office or offices prior to the authentication and delivery of the Note.

8. Transcript of Proceedings. The President and other officers of the Port Authority are authorized and directed to prepare and furnish to the Purchaser and bond counsel certified copies of the proceedings and records of the Port Authority relating to the issuance of the Note and other transactions herein contemplated, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Note and the other transactions herein contemplated as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Port Authority as to the truth of all statements contained therein.

9. Future Amendments. The authority to approve, execute and deliver future amendments to Note Documents entered into by the Port Authority in connection with the issuance of the Note and the other transactions herein contemplated, is hereby delegated to

the President of the Port Authority, provided that: (a) such amendments do not require the consent of the holder of the Note or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the Port Authority; (c) such amendments do not contravene or violate any policy of the Port Authority; and (d) such

amendments are acceptable in form and substance to bond counsel. The execution of any instrument by the President of the Port Authority shall be conclusive evidence of the approval of such instrument in accordance with the terms hereof.

10. Limitation. No covenant, obligation or agreement contained herein or in any Note Document shall be deemed to be a covenant, obligation or agreement of any member of the Board of Commissioners of the Port Authority, or any officer, agent or employee of the Port Authority in that person's individual capacity, and neither the Board of Commissioners nor any officer executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

Adopted: September 26, 2017

PORT AUTHORITY OF THE
CITY OF SAINT PAUL

By: _____
Its Chair

ATTEST

By: _____
Its: Secretary