



Legislation Details (With Text)

File #: RES PH 11- 1101 **Version:** 1
Type: Resolution-Public Hearing **Status:** Passed
In control: City Council
Final action: 10/5/2011

Title: Granting preliminary approval for the issuance of certain general obligation bonds to acquire the Griffin Building (the police headquarters) from Ramsey County, Minnesota and to refund the outstanding capital improvement bonds, series 2004a bonds of the city, and approving a Special Purpose Capital Improvements Plan with respect to the acquisition of the Griffin Building.

Sponsors: Kathy Lantry, Dave Thune

Indexes: Bond Sale, CIB, CIP

Code sections:

Attachments: 1. special purpose plan.pdf, 2. CIB project page.pdf, 3. Copy of Financial Analysis Template 9.28.11_1.pdf

Date	Ver.	Action By	Action	Result
10/11/2011	1	Mayor's Office	Signed	
10/5/2011	1	City Council	Adopted	Pass

Granting preliminary approval for the issuance of certain general obligation bonds to acquire the Griffin Building (the police headquarters) from Ramsey County, Minnesota and to refund the outstanding capital improvement bonds, series 2004a bonds of the city, and approving a Special Purpose Capital Improvements Plan with respect to the acquisition of the Griffin Building.

WHEREAS, the County of Ramsey, Minnesota (the "County") previously issued its Public Facility Lease Revenue Bonds (City of Saint Paul, Minnesota Lease Obligations), Series 2003A (the "Series 2003A Bonds") in the original aggregate principal amount of \$13,845,000 and currently outstanding in the principal amount of \$10,235,000 in order to fund (i) the repair, renovation and remodeling of the County-owned Benz Building now called the Griffin Building for use as a public safety facility for the City to house the City's Police Headquarters (the "Public Safety Project"), (ii) a debt service reserve fund for the Series 2003A Bonds, and (iii) certain related financing costs of the Series 2003A Bonds; and

WHEREAS, the City currently rents the Public Safety Project from the County pursuant to an Amended and Restated Lease Agreement, dated December 16, 2002 (the "Lease") and makes semi-annual rent payments sufficient to pay debt service on the Series 2003A Bonds and other certain payments required under the terms of the Lease; and

WHEREAS, the outstanding Series 2003A Bonds are callable for redemption on January 1, 2012 without a premium; and

WHEREAS, the City's outstanding Capital Improvement Bonds, Series 2004A (the "Series 2004A Bonds") were issued by the City in the original aggregate principal amount of \$19,000,000 and are currently outstanding in the principal amount of \$4,580,000; and

WHEREAS, the Series 2004A Bonds were issued to fund certain capital improvement projects contained in the City's approved Capital Improvement Budget for the years 2004 through 2008; and

WHEREAS, the outstanding Series 2004A Bonds are currently callable for redemption without a premium; and

WHEREAS, and City finance staff anticipates receiving a debt service savings if the City (i) acquires the Public Safety Project through the refunding of the outstanding Series 2003A Bonds and making the acquisition payments required under the terms of the Lease, and (ii) refunds the outstanding Series 2004A Bonds through the issuance of general obligation bonds (the "Series 2011H Bonds") in one or more series of taxable or tax-exempt bonds, in a principal amount not to exceed \$16,000,000; and

WHEREAS, the portion of the Series 2011H Bonds used to acquire the Public Safety Project from the County (the "Public Safety Portion") will be issued pursuant to the provisions of Minnesota Statutes, Section 475, as amended (the "Municipal Debt Act"), and the portion of the Series 2011H Bonds issued to refund the outstanding Series 2004A Bonds (the "CIB Portion") will be issued pursuant to Laws of Minnesota for 1971, Chapter 773, as amended, and the Municipal Debt Act; and

WHEREAS, the economic life of the Public Safety Project and the capital improvements refinanced by the CIB Portion of the Series 2011H Bonds, respectively, are longer than the term of the Series 2011H Bonds allocable to the Public Safety Portion and the CIB Portion; and

WHEREAS, Section 475.521 of the Municipal Debt Act requires that the City Council of this City hold a public hearing with respect to the issuance of the Public Safety Portion of the Series 2011H Bonds in order to finance a capital improvement project (the Public Safety Project) in a 5-year Special Purpose Capital Improvements Plan (the "Special Purpose Plan") that addresses the requirements of Section 475.521 of the Municipal Debt Act; and

WHEREAS, City staff has prepared a Special Purpose Plan (attached hereto as Exhibit A) with respect to the acquisition of the Public Safety Project and such Special Purpose Plan has been presented to and the factors set forth therein have been considered by this City Council and will be presented on October 10, 2011, to the Capital Improvement Budget Committee for review and comment to City Administration; and

WHEREAS, on the date hereof, prior to consideration of this resolution, this City Council held a public hearing with respect to the Special Purpose Plan for the acquisition of the Public Safety Project and the issuance of the Public Safety Portion of the Series 2011H Bonds and the public was given an opportunity to comment on the proposed Special Purpose Plan and the Public Safety Portion of the Series 2011H Bonds; and

WHEREAS, the notice of public hearing for the Special Purpose Plan and the Public Safety Portion of the Series 2011H Bonds was published in the *Legal Ledger*, the official newspaper of the City, on September 19, 2011, which date was not more than 28 days and not less than 14 days prior to the date of the public hearing, as required by Section 475.521 of the Municipal debt Act; and

WHEREAS, the sale of the Public Safety Portion of the Series 2011H Bonds is subject to the requirement that the City does not receive a petition within thirty (30) days signed by five percent (5%) of the voters from the last general election requesting that the City hold an election prior to the issuance of the Public Safety Portion of the Series 2011H Bonds.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, that

1) The Director, Office of Financial Services, City Treasurer, City Debt Manager and other appropriate City officials and staff are hereby authorized and directed to proceed with preliminary actions to (i) acquire the Public Safety Project (including the refunding of the Series 2003A Bonds of the County), and (ii) refund the outstanding Series 2004A Bonds.

2) The actions of the City staff to publish the notice of public hearing with respect to the Special Purpose Plan and the Public Safety Portion of the Series 2011H Bonds are hereby approved and ratified.

- 3) The Special Purpose Plan is hereby approved in the form attached hereto as Exhibit A.
- 4) The sale of the Series 2011H Bonds is hereby scheduled for the morning of Wednesday November 9, 2011. Provided that the City has not received a petition with respect to the Public Safety Portion of the Series 2011H Bonds as described above, the City Council shall consider a resolution awarding the sale of the Series 2011H Bonds to the purchaser(s) thereof on the afternoon of November 9, 2011. The Director, Office of Financial Services may reschedule the sale of the Series 2011H Bonds to a date later than November 9, 2011 if, in consultation with the City's financial advisor, such action is deemed advantageous to the City.
- 5) Springsted Incorporated is hereby named financial advisor to the City with respect to the Series 2011H Bonds. City staff and Springsted Incorporated, as financial advisor to the City, shall also be authorized to proceed with preliminary actions for the issuance of the Series 2011H Bonds.
- 6) Kennedy & Graven, Chartered is hereby named as bond counsel for the Series 2011H Bonds. Springsted Incorporated and Kennedy & Graven, Chartered are hereby authorized to work with City staff to prepare the Official Statement for the Series 2011H Bonds and such other documents, instruments and certificates as may be necessary for further approval of this City Council and the County for the completion of the sale of the Series 2011H Bonds in order to acquire the Public Safety Project from the County and refund the outstanding Series 2004A Bonds.