



Legislation Text

File #: Ord 16-43, **Version:** 1

Granting authority to the Port Authority of the City of Saint Paul to issue and sell general obligation bonds to which the Port Authority pledges the full faith and credit of the City under Minnesota Statutes, Section 469.060.

WHEREAS, the City of Saint Paul (the "City") previously authorized the issuance by the Port Authority of the City of Saint Paul (the "Port Authority") of its General Obligation Bonds, Series 2008-6 (the "Prior Bonds"), in the original aggregate principal amount of \$8,130,000 pursuant to Ordinance #08-1082, the proceeds of which were used by the Port Authority to finance the acquisition and redevelopment of the property known as the 3M St. Paul Campus located in the area of Phalen Boulevard, Arcade Street and Forest Street, and East Seventh Street, in St. Paul, Minnesota (the "Property") and to also pay the costs of issuance for the Prior Bonds; and

WHEREAS, the Port Authority requested that the City authorize the issuance and sale, by the Port Authority, of its general obligation bonds in an aggregate principal amount not to exceed \$6,300,000, in one or more tax-exempt and/or taxable series (the "Bonds") to (a) advance refund the Prior Bonds, (b) provide funds for certain new economic development projects involving the Port Authority as authorized under the provisions of Minnesota Statutes, Sections 469.048 through 469.068, as amended (the "Port Authority Act") (collectively, the "Project"), and (c) pay the costs of issuance of the Bonds,

WHEREAS, under the provisions of Section 469.060 of the Port Authority Act, the Port Authority may also pledge the full faith, credit and resources of the City to the payment of such Bonds and levy a tax to pay the Bonds if the City consents by ordinance to such pledge and approves issuance of the Bonds by the Port Authority; and

WHEREAS, a copy of the Port Authority's request to issue the Bonds, pledge the full, faith and credit and taxing power of the City, and levy a tax to pay the Bonds has been presented to said City Council on behalf of said Port Authority, as and for its application for the authorization described above, and, by reference, such request is made a part hereof; and

WHEREAS, City Council of the City of Saint Paul previously found that the Property constituted blighted and marginal property within the meaning of Minnesota Statutes, Chapter 469, as amended (the "Act"), and that it was urgent and necessary that the Port Authority issue and sell the Prior Bonds to acquire the Property and to defray the cost and expense necessary to be incurred by said Port Authority for its acquisition of the Property, the Port Authority's construction of infrastructure improvements thereon, the preparation of the Property for redevelopment, and for all other purposes authorized by authority of the Act; and

WHEREAS, on the basis of the foregoing, it is now the intention of the Council of the City to grant authority to the Port Authority for the issuance of the Bonds; to prescribe the manner for establishing the amount, maturity schedule and rates of interest to be borne by the Bonds to a pricing committee as provided in Section 2 below; to authorize the Port Authority to establish the date, denomination, place of payment and other details of the Bonds, including the form of the Bonds, in the manner provided in this Ordinance; and to authorize and consent to the pledge by the Port Authority of the full faith, credit and resources of the City to the payment of the Bonds as the same shall be issued and sold by the Port Authority, pursuant to the authority of the Act, and pursuant to the authority granted by this Ordinance.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SAINT PAUL DOES ORDAIN:

Section 1

That subject to, and in accordance with, the applicable provisions, terms and conditions of this Ordinance and those contained in the Port Authority Act, authority is hereby granted to the Port Authority, for the issuance and sale of Bonds in a combined aggregate principal amount not to exceed \$6,300,000, in one or more tax-exempt and/or taxable series, and use the proceeds of such Bonds to finance the Project and for all other purposes authorized by authority of the Port Authority Act.

Section 2

That the Port Authority is hereby authorized and directed to establish the date, denomination, place of payment, form and details of the Bonds, provided that: the Bonds shall be issued and sold by the Port Authority as tax exempt and/or taxable Bonds, in one or more series, in the manner provided and allowed by law; the Bonds shall mature in the years and bear interest at the rate or rates per annum established by the Pricing Committee comprised of a representative from the Port Authority, the City's Treasurer and Debt Manager representing the City's Office of Financial Services, and a representative of Public Financial Management, Inc., as municipal advisor to the Port Authority; and the proceeds from the issuance and sale of the Bonds as received by said Port Authority shall be deposited by it in funds of the Port Authority subject to disbursement only in the payment of the Project, the costs of issuance of the Bonds, and for all other purposes authorized by the Act. The Bonds may be made subject to redemption and prepayment at the option of the Port Authority at such time and price or prices as shall be determined by the Port Authority and approved by the Pricing Committee described above and upon such notice as is required by law.

Section 3

That as security for the prompt and faithful payment of both principal and interest of said Bonds said Port Authority is hereby authorized to pledge the full faith, credit and resources of the City, and the Bonds, both in respect of the principal amount of the same and in respect of the interest thereon, shall be paid by the Port Authority from tax levies provided therefore and authorized by the Act that pledge the full, faith and credit of the City.

Section 4

That the Port Authority, in the event of the issuance of any series of said Bonds authorized hereunder, shall, before the issuance of the same, levy for each year, until the principal and interest are paid in full, a direct annual tax on all the taxable property in said City which the Port Authority has been created, in an amount not less than 5% in excess of the sum required to pay the principal and interest of the same when and as such principal and interest mature and, after such Bonds have been delivered to the purchasers, such tax shall be irrevocable until all such indebtedness is paid, and after the issuance of such Bonds no further action by said Port Authority shall be necessary to authorize the extensions, assessments and collection of such tax. That the Secretary of said Port Authority shall forthwith furnish a certified copy of such levy to the County Auditor of Ramsey County, Minnesota, the county in which said Port Authority and said City are located, together with full information regarding the Bonds of said Port Authority for which the tax is levied and such County Auditor shall extend and assess the tax so levied, and shall do so annually until the principal and interest have been paid in full. That any surplus resulting from the excess levy therein provided shall be transferred to a sinking fund after the principal and interest for which the tax was levied and collected has been paid; provided, that said Port Authority shall, on or before September 15 in any year, by appropriate action cause its Secretary to certify to the said County Auditor the amount on hand and available in its own treasury from earnings or other income, including the amount in the sinking fund, which it will use to pay the principal and interest or both on each specified series of the Bonds and the County Auditor shall reduce the levy for that year herein provided for by that amount. That the amount of funds so acquired shall be set aside by said Port Authority and be used for no other purpose than for the repayment of the principal and interest on such Bonds. That all such taxes being authorized to be levied under Section 469.060 of the Port Authority Act, as amended, pursuant thereto shall be collected

and remitted to the Port Authority by the County Treasurer in accordance with the provisions of law governing the collection of other taxes and shall be used solely for the payment of such Bonds when due.

Section 5

That said Port Authority shall provide for the exercise of the authority hereby granted for its issuance and sale of the Bonds, in one or more series of taxable and/or tax-exempt bonds in an aggregate principal amount not to exceed \$6,300,000 for the aforesaid purposes, and the pledge of the full faith, credit and resources of said City, as security for the payment of the same, by its appropriate resolution, and without further action of the City Council of the City of Saint Paul. That in each such instance said Port Authority shall make due compliance with all applicable requirements for this Ordinance, and Section 469.060 of the Port Authority Act and Minnesota Statutes, Chapter 475, as amended, and all other applicable laws.

Section 6

That this ordinance shall take effect and be in force 30 days after the passage, approval and publication.