



Legislation Text

File #: RES PH 16-383, **Version:** 1

Amending the City of Saint Paul's 2016 Park's Special Service Fund to pay off the outstanding balance of its Recreational Facilities Gross Revenue Bonds, Series 2005 (Highland National Project).

WHEREAS; on September 22, 2016 the Penfield Apartments LLC closed on the sale of the Penfield project; and

WHEREAS; on October 12, 2016 the Saint Paul Housing and Redevelopment Authority (HRA) amended its 2016 budget to include a transfer of a portion of the sale proceeds to the City debt service fund to transfer to the Parks Special Service fund to be used to call for the redemption and prepayment of the Recreational Facilities Gross Revenue Bonds, Series 2005 (Highland National Project), (the "Series 2005 Bonds") as anticipated in the City's 2016 budget; and

WHEREAS; the Park's Special Service Fund has been operating at a deficit and the past debt service payments on the Series 2005 Bonds have been subsidized, in part, by the general fund; and

WHEREAS; the City's 2016 adopted budget anticipated the contribution from the HRA to the City Debt service fund and the subsequent transfer to the Parks Special Service fund and did not budget the general fund subsidy for payments on the Series 2005 Bonds; and

WHEREAS; the transferred funds will be applied along with the available debt service reserve fund associated with the Series 2005 Bonds, to the prepayment of the outstanding Series 2005 Bonds; and

WHEREAS; the prepayment of the Series 2005 Bonds will save the City in excess of \$1.0 million of future interest costs and relieve the general fund of any future subsidy payments for debt service; and

WHEREAS; the Director, Office of Financial Services is hereby authorized and directed to call for the redemption of and prepay the outstanding Series 2005 Bonds; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that there are additional funds available for appropriation in the amount of \$4,391,550 in excess of those estimated in the 2016 budget; and now, therefore, be it resolved

RESOLVED, by the City Council of the City of Saint Paul, upon recommendation of the Mayor, that the 2016 Park's Special Service Fund be amended to include a transfer from the HRA and use of fund equity for the prepayment of the outstanding Series 2005 Bonds.