



Legislation Text

File #: Ord 12-81, **Version:** 1

Granting authority to the Port Authority to issue and sell bonds in the aggregate principal amount of approximately \$17,500,000 and to use the proceeds derived from the sale of such bonds for the costs and expenses incurred by the Port Authority for the acquisition, remediation and improvement of blighted and marginal lands located in the City; and to refund the Series 2003-8 Bonds previously issued by the Port Authority for similar purposes, pursuant to the provisions and by authority of Minnesota Statutes 1992, Chapter 469, as amended; and prescribing the amount and form of such bonds and the manner for establishing the rate of interest.

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") has previously issued its \$14,535,000 General Obligation Bonds, Series 2003-8 (the "2003-8 Bonds") and, pursuant to Ordinance No. 93-1423 adopted by the City of Saint Paul (the "City"), has pledged the full faith, credit and resources of the City; and

WHEREAS, the Port Authority has advised the City of its belief that considerable costs savings can be recognized by refunding of the Series 2003-8 Bonds at this time; and

WHEREAS, the Port Authority has asked the City to authorize the issuance of approximately \$9,000,000 of General Obligation Bonds pursuant to the Act (the "Refunding Bonds") for the purpose of redeeming and prepaying the Series 2003-8 Bonds, effecting a cost savings thereby, which savings will reduce the existing levy imposed for such bonds; and

WHEREAS, the City Council, being duly advised in the premises, finds and determines that it is appropriate and necessary that the Port Authority issue the Refunding Bonds pursuant to the authority originally granted in the City's Ordinance No. 93-1423; and

WHEREAS, the Port Authority has further advised the City of its belief that, within the City, blighted and marginal properties (the "Properties") within the meaning of Minnesota Statutes 1992, Chapter 469, as amended (the "Act"), are likely to be available to the Port Authority for purchase, remediation and/or improvement, and the Port Authority wishes to obtain additional funds to use in preparing such Properties for redevelopment or otherwise for use by the Port Authority for purposes authorized by the Act; and

WHEREAS, the Port Authority has further asked the City to authorize it to issue and sell bonds in an initial principal amount supported by a \$500,000 annual tax levy, expected to be approximately \$8,500,000 (the "New Money Bonds", and together with the Refunding Bonds, the "Bonds"), to provide funds for use by the Port Authority to pay the costs and expenses incurred by the Port Authority in connection with the acquisition, remediation and/or improvement of blighted and marginal Properties; such Bonds to be issued in one or more series, and to be secured by the full faith, credit and resources of the City all pursuant to Minnesota Statutes 1992, Section 469.060; and

WHEREAS, the City Council, being duly advised in the premises, finds and determines that it is appropriate and necessary that the Port Authority issue the New Money Bonds to defray the cost and expense incurred by the Port Authority for its acquisition, remediation and improvement of Properties identified by the Port Authority as appropriate for redevelopment or otherwise for use by the Port Authority for purposes authorized by the Act; and

WHEREAS, on the basis of the foregoing, it is now the intention of the Saint Paul City Council 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 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 of Saint Paul 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

Subject to, and in accordance with, the applicable provisions, terms and conditions of this Ordinance and those contained in the Act, authority is hereby granted to the Port Authority of the City of Saint Paul, for the issuance and sale of the New Money Bonds in the initial principal amount supported by a \$500,000 annual tax levy, expected to be approximately \$8,500,000.00, and to apply the proceeds thereof to defray the costs and expenses incurred by it for the acquisition, remediation and/or improvement of Properties identified by the Port Authority as appropriate for redevelopment or otherwise for use by the Port Authority for purposes authorized by the Act, and to pay costs of issuing such New Money Bonds. Authority is further hereby granted to the Port Authority to issue the Refunding Bonds in the initial principal amount sufficient to redeem and prepay the Series 2003-8 Bonds, expected to be approximately \$9,000,000.00, and to apply the proceeds thereof to redeem and prepay the Series 2003-8 Bonds and to pay costs of issuing such Refunding Bonds.

Section 2

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 offer to purchase the series of the Bonds then being issued which is determined to be the most favorable by a Pricing Committee comprised of a representative from the Port Authority, the City's Treasurer and the City's Deputy Director of the Office of Financial Services or their designees, and a representative of Ehlers & Associates or such other fiscal consultant as may have been retained by the Port Authority in connection with the issuance of the Bonds, on the basis of bids received by the Port Authority after a public solicitation; and the proceeds from the issuance and sale of the Bonds as received by said Port Authority shall be deposited by it in a fund or funds of the Port Authority subject to disbursement only: (a) with respect to the Refunding Bonds, for the redemption and prepayment of the Series 2003-8 Bonds; and (b) with respect to the New Money Bonds, to pay the costs and expenses necessarily to be incurred by the Port Authority for its acquisition, remediation and/or improvement of Properties identified by the Port Authority as appropriate for such purpose and as authorized by the Act; and (c) with respect to the Bonds in whole, to pay costs of issuance of such Bonds. 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

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 such 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.

Section 4

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, 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. 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 the 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. 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 Ramsey 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. 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. All such taxes being authorized to be levied under Section 469.060, Minnesota Statutes 1992, 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

The 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, supported by the tax levy and for the purposes described herein, and the pledge of the full faith, credit and resources of the City of Saint Paul, 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. In each such instance said Port Authority shall make due compliance with all applicable requirements for this Ordinance, and Minnesota Statutes Chapters 469.060 and 475, as amended, and all other applicable laws.

Section 6

Notwithstanding anything herein to the contrary, the annual tax levy available for the payment of the New Money Bonds shall be limited to \$500,000.

Section 7

This ordinance shall take effect and be in force 30 days after its passage, approval and publication.