



City of Saint Paul

City Hall and Court House
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Legislation Text

File #: RES 14-532, **Version:** 1

Approving the issuance of an approximately \$1,700,000 conduit, bank qualified, tax exempt note for the Montessori School of Minnesota.

WHEREAS:

1. The Port Authority of the City of Saint Paul (the "Port Authority") has given its approval to the issuance of its revenue note (Montessori Center of Minnesota Project) (the "Note") in the aggregate principal amount not to exceed \$1,700,000. The proceeds of the Note will be loaned to Montessori Training Center of Minnesota, a Minnesota 501(c)(3) corporation (the "Borrower") to refinance existing debt ("Prior Debt") on the Borrower's facility located at 1611 Ames Avenue in the City of Saint Paul, Minnesota (the "Facility"), and to pay costs of issuance (the "Project").
2. Laws of Minnesota 1976, Chapter 234, provides that any issue of revenue bonds authorized by the Port Authority shall be issued only with the consent of the City Council of the City of Saint Paul, by resolution adopted in accordance with law.
3. Approval of the issuance of the proposed Note by the City Council is also required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code").
4. To meet the requirements of both state and federal law, the Port Authority has conducted the public hearing required by Section 147(f) of the Code and requested that the City Council give its approval to the issuance of the proposed Note by the Port Authority, subject to final approval of the details of said Note by the Port Authority.
5. The City of Saint Paul (the "City") has an outstanding Mortgage and Debt Subordination Agreement (the "City Mortgage") filed on the Facility property which secures \$275,000 (the "City Debt") and in which the City has agreed to subordinate the City Debt to the Prior Debt being refinanced. Bremer Bank, as the purchaser of the proposed Note, has required that the City continue the subordination of the City Debt as it relates to the new debt and any debt issued to refinance that debt.

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

1. That in accordance with the requirements of Section 147(f) of the Code, and in accordance with Laws of Minnesota 1976, Chapter 234, the City Council hereby approves the issuance of the aforesaid Note by the Port Authority for the purposes described in the Port Authority resolution adopted March 25, 2014, the exact details of which, including but not limited to, provisions relating to principal amount, maturities, interest rates, prepayment and the issuance of additional bonds are to be determined by the Port Authority, and the City Council hereby authorizes the issuance of any additional bonds (including refunding bonds) by the Port Authority found by the Port Authority to be necessary for carrying out the purposes for which the aforesaid Note is issued.
2. That the City Council hereby approves the continuation of the subordination of the City Debt to the Note, and any debt subsequently issued to refinance the Note. The Director of Planning and Economic Development, or if the Director of Planning and Economic Development is unavailable, the authorized official

authorized to act in his/her behalf, is authorized to execute and deliver such documents as are deemed necessary or desirable by Bremer Bank to reflect the continuation of the subordination of the City Debt to the Note, and any debt issued to refinance the Note.