



Legislation Text

File #: RES 13-1655, **Version:** 1

Resolution Approving and Authorizing an HRA Loan to the St. Paul Saints Baseball Club, Inc. to Assist in the Financing of the Regional Ballpark, District 17, Ward 2

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minn Stat Section 469.002, Subd. 14; and

WHEREAS, the Port Authority of the City of Saint Paul ("Port Authority") will issue Taxable Limited Tax-Supported Ballpark Revenue Bonds ("Bonds") in connection with the construction, financing and operation of a new 7,000 seat municipal regional ballpark in Lowertown ("Ballpark"); and

WHEREAS, the City of Saint Paul ("City") will execute a Development Agreement and Ballpark Use Agreement with the St. Paul Saints Baseball Club, Inc. ("Saints") to operate the Ballpark and pay rent to the City; and

WHEREAS, the Saints rent payments under the Ballpark Use Agreement will be used to pay debt service on the Bonds, and as additional security for the repayment of the Bonds the City has requested the HRA to make a loan to the Saints in the amount of one year's debt service on the Bonds in the approximate amount of \$600,000, the exact amount to be determined at the closing of the Bonds ("Loan"); and

WHEREAS, the proceeds of the Loan will be deposited into a rent guaranty account with the trustee for the Bonds and disbursement will be made in accordance with an escrow agreement, which terms are more fully described in the staff report submitted to the HRA Board with this Resolution; and

WHEREAS, in addition to the escrow agreement, the Loan will be evidenced by a promissory note from the Saints and secured by a security agreement, guaranty by the primary owners of the Saints and confession of judgments (collectively the "Loan Documents"); and

WHEREAS, by this Resolution the HRA finds that the financing, construction and operation of the Ballpark are in the best interests of the City and that a public purpose exists for the expenditure of public funds for the Ballpark.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota that:

1. The HRA Board of Commissioners hereby approves the Loan and Loan Documents for the Ballpark. The HRA Executive Director and Director of Office of Financial Services are authorized and directed to execute on behalf of the HRA the escrow agreement and security agreement in connection with the Loan. The HRA Executive Director is authorized and directed to finalize the Loan Documents consistent with the intent of this Resolution.

2. The budget for the Loan is hereby approved as detailed in Attachment A.

3. The HRA Executive Director, staff and legal counsel for the HRA are directed and authorized to take all actions necessary to implement this Resolution. The HRA's Executive Director is authorized to negotiate and execute any other documents and instruments in connection with this Resolution.