



Legislation Text

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Authorizing the Issuance of Tax Increment Revenue Refunding Bonds (Upper Landing Project), Series 2012, under Minnesota Statutes, Sections 469.001 - 469.047, as Amended, and Minnesota Statutes, Section 469.174 - 469.1799, as Amended, and Approving Related Documents, District 9, Ward 2.

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the "Issuer"), is authorized by Minnesota Statutes, Sections 469.001-469.047, as amended (the "Redevelopment Act"), and Minnesota Statutes, Sections 469.174-469.1799, as amended (the "Tax Increment Act"), to undertake redevelopment projects, to create tax increment financing districts, and to authorize, sell, and issue revenue bonds payable, in whole or in part, from tax increment revenues derived from tax increment financing districts; and

WHEREAS, pursuant to the provisions of Section 469.174, subdivision 3, of the Tax Increment Act, the Issuer is authorized to issue refunding bonds to redeem and prepay tax increment revenue bonds issued under the provisions of the Tax Increment Act; and

WHEREAS, the Issuer created the Riverfront Renaissance Redevelopment Tax Increment Financing District (the "District"), located on both sides of the Mississippi River near the downtown area of the City of Saint Paul (the "City"), in order to redevelop previously improved land which had become blighted and contaminated; and

WHEREAS, the portion of the District located on the "east bank" of the Mississippi River adjacent to Shepard Road and the downtown area of the City was designated as the "Upper Landing District" and was designated to be developed primarily as owner-occupied or residential rental housing; and

WHEREAS, Laws of Minnesota 2005, Chapter 152, Article 2, Section 28 (the "Special Law") authorized the Issuer to establish up to six (6) subdistricts in the District and provided that "each subdistrict shall be treated as a separate tax increment district" and pursuant to the terms of the Special Law the Upper Landing District has been designated as a separate subdistrict (the "TIF Subdistrict") to be treated as a separate tax increment district; and

WHEREAS, to obtain funds to finance certain redevelopment costs associated with the redevelopment of the TIF Subdistrict, the Issuer issued the following obligations: (i) Tax Increment Revenue Bonds (Upper Landing Project), Series 2002A (the "Series 2002A Bonds"), in the original principal amount of \$5,000,000; (ii) Tax Increment Revenue Bonds (Upper Landing Project), Series 2002B-1 (the "Series 2002B-1 Bonds"), in the original principal amount of \$12,130,000; and (iii) Tax Increment Revenue Bonds (Upper Landing Project), Series 2002B-1 (the "Series 2002B-1 Bonds"), in the original principal amount of \$2,000,000; and

WHEREAS, the Series 2002A Bonds, the Series 2002B-1 Bonds, and the Series 2002B-2 Bonds (hereinafter referred to collectively as the "Prior Bonds" or the "Series 2002 Bonds") were issued pursuant to Resolution No. 02-8/14-1 adopted by the Board of Commissioners (the "Board") of the Issuer on August 14, 2002, and pursuant to an Indenture of Trust, dated as of October 1, 2002 (the "Series 2002A Indenture"), between the Issuer and Wells Fargo Bank, National Association (formerly known as Wells Fargo Bank

Minnesota, National Association), as trustee (the "Prior Trustee"), and an Indenture of Trust, dated as of October 1, 2002 (the "Series 2002B Indenture"), between the Issuer and the Prior Trustee; and

WHEREAS, the tax increment revenues derived from the TIF Subdistrict (the "Tax Increment" or "Tax Increment Revenues") were pledged to payment of the Series 2002 Bonds pursuant to the terms of the Series 2002A Indenture and the Series 2002B Indenture (collectively, the "Prior Indentures") and pursuant to the terms of a Joint Pledge Agreement, dated as of October 1, 2002, by and among the City, the Issuer, the Prior Trustee, and the Saint Paul City Treasurer; and

WHEREAS, it is necessary and desirable and in the best interests of the Issuer and the City to issue tax increment revenue refunding bonds of the Issuer and apply the proceeds derived from the sale of the revenue refunding bonds to the redemption and prepayment of the outstanding Prior Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota as follows:

1. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of revenue bonds of the Issuer to be designated Tax Increment Revenue Refunding Bonds (Upper Landing Project), Series 2012 (the "Bonds"), to be issued in an original aggregate principal amount not to exceed \$18,000,000. In the discretion of the Executive Director, the Bonds may be designated as otherwise determined by the Executive Director. The Bonds shall be issued under the terms of an Indenture of Trust, to be dated on or after December 1, 2012 (the "Indenture"), between the Issuer and U.S. Bank National Association, or such other trustee as may be selected by the Executive Director of the Issuer (the "Trustee"). The Bonds shall bear interest at fixed rates established by the terms of the Indenture. The Bonds shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Indenture, in the form now on file with the Issuer. All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution (this "Resolution") as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bonds are authorized to be executed on behalf of the Issuer by the manual or facsimile signatures of the Chair of the Board (or in the absence of the Chair by any other Commissioner of the Board), the Executive Director of the Issuer (or in the absence of the Executive Director by any other member of the staff of the Issuer who, in the opinion of the City Attorney, is authorized to execute the Bonds in the absence of the Executive Director), and by the Director of the Office of Financial Services (or in the absence of the Director of the Office of Financial Services by any other member of the Office of Financial Services who, in the opinion of the City Attorney, is authorized to execute the Bonds in the absence of the Director of the Office of Financial Services) (hereinafter the "Issuer Officials"), and approved as to form by the City Attorney.

2. All of the provisions of the Indenture, when executed as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Indenture is authorized to be executed and delivered on behalf of the Issuer by the Issuer Officials. The Indenture shall be substantially in the form now on file with the Issuer, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Issuer Officials, in their discretion, shall determine, and the execution and delivery thereof by the Issuer Officials shall be conclusive evidence of such determination.

3. The Tax Increment Revenues are hereby pledged to payment of the principal of, premium, if any, and interest on the Bonds when due in accordance with the terms of this Resolution and in accordance with the terms of the Indenture. The pledge of the Tax Increment Revenues to the Bonds shall constitute a first, superior, and prior pledge of the Tax Increment Revenues (upon the defeasance of the Prior Bonds pursuant

to the terms of the Prior Indentures), subject to the right of the Issuer to issue Additional Bonds (as defined in the Indenture) to which the Issuer may pledge the Tax Increment Revenues on a parity basis with the Bonds, and subject to the other limitations set forth in Indenture. Nothing in this Resolution or in the Indenture or the Bonds shall preclude the Issuer from issuing obligations secured by a subordinate pledge of the Tax Increment Revenues or to permit obligations to remain outstanding that are secured by a subordinate pledge of the Tax Increment Revenues. The Issuer Officials are hereby authorized and directed to execute and deliver on behalf of the Issuer a Subordinate Tax Increment Revenue Refunding Note (the "Replacement Note") to replace the Tax Increment Revenue Refunding Note ("Original Note") now held by the City. The Replacement Note shall have the same terms as the Original Note but expressly state on its face that the pledge of Tax Increment Revenues to the Replacement Note is subordinate to the Series 2002 Bonds and will be subordinate to the Bonds. The Replacement Note shall be substantially in the form now on file with the Issuer which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Issuer Officials, in their discretion, shall determine, and the execution of the Replacement Note by the Issuer Officials shall be conclusive evidence of such determination.

4. The Bonds are hereby authorized to be sold in a negotiated sale to Piper Jaffray & Co. (the "Underwriter") upon such terms and conditions as are deemed necessary and appropriate by the Issuer Officials and incorporated into the terms of a Bond Purchase Agreement, to be dated on or after December 1, 2012 (the "Bond Purchase Agreement"), between the Issuer and the Underwriter. The Issuer Officials are hereby authorized and directed to execute and deliver the Bond Purchase Agreement. All of the provisions of the Bond Purchase Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bond Purchase Agreement shall be substantially in the form now on file with the Issuer which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Issuer Officials, in their discretion, shall determine, and the execution of the Bond Purchase Agreement by the Issuer Officials shall be conclusive evidence of such determination.

5. It is hereby found, determined, and declared that the issuance and sale of the Bonds, the execution and delivery by the Issuer of the Indenture and the Bond Purchase Agreement (collectively, the "Bond Documents"), and the performance of all covenants and agreements of the Issuer contained in the Bond Documents and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the Bond Documents and the Bonds the valid and binding special obligations of the Issuer in accordance with their terms, are authorized by applicable Minnesota law, including, without limitation, the Redevelopment Act, the Tax Increment Act, and this Resolution.

6. The Bonds shall not constitute general or moral obligations of the Issuer. The Bonds are revenue bonds of the Issuer and are not to be payable from or chargeable against any funds other than the Revenues (as defined in the Indenture) and other assets expressly pledged to the payment of the Bonds pursuant to the terms of this resolution, the Indenture, and the terms of the Bonds. The Issuer and the City shall not be subject to any liability thereon other than from such Revenues and assets pledged thereto and no holder of any Bonds shall have the right to compel any exercise by the Issuer or the City of their taxing powers (other than as contemplated by the pledge of Tax Increment Revenues) to the payment of the principal of, premium, if any, and interest on the Bonds or to enforce payment thereof against any property of the Issuer or the City other than the property expressly pledged thereto. The Bonds shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer or the City other than the Revenues and other assets described in the Granting Clauses of the Indenture, all of which have been assigned to the Trustee under the terms of the Indenture. The Bonds shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation on indebtedness.

7. With the assistance of the Underwriter, counsel to the Underwriter, the financial advisor to the Issuer, bond counsel to the Issuer, disclosure counsel to the Issuer, and the City Attorney, the Executive Director is

hereby authorized to prepare a Preliminary Official Statement and an Official Statement with respect to the offer and sale of the Bonds and to authorize the distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds. When deemed appropriate by the Executive Director, the Executive Director is authorized to deliver to the Underwriter a certification on behalf of the Issuer that the Preliminary Official Statement is deemed final as of its date except for the omission of no more than the following information: (i) the offering prices; (ii) interest rates; (iii) selling compensation; (iv) aggregate principal amount; (v) principal amount per maturity; (vi) delivery date; and (vii) any other terms of the Bonds depending on such facts.

8. The Issuer Officials are hereby authorized and directed to execute and deliver on behalf of the Issuer a Continuing Disclosure Agreement, to be dated on or after December 1, 2012 (the "Continuing Disclosure Agreement"), between the Issuer and the Trustee. The Issuer Officials are hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement. All of the provisions of the Continuing Disclosure Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Continuing Disclosure Agreement shall be substantially in the form now on file with the Issuer which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Issuer Officials, in their discretion, shall determine, and the execution of the Continuing Disclosure Agreement by the Issuer Officials shall be conclusive evidence of such determination. The Executive Director, in the sole and absolute discretion of the Executive Director, may elect to terminate the Continuing Disclosure Agreement and substitute therefor a continuing disclosure certificate or continuing disclosure undertaking pursuant to which the Issuer will assume the sole responsibility for complying with the continuing disclosure obligations of the Issuer pursuant to SEC Rule 15c2-12, as amended.

9. There is hereby created and appointed a Pricing Committee for the Bonds consisting of the Executive Director and the Director, Office of Financial Services, or their designees, advised as appropriate by a representative of the financial advisor of the Issuer. The Pricing Committee is hereby authorized and directed to make the following determinations (subject to the limitations expressed herein): (i) the original principal amount of the Bonds, provided that the aggregate original aggregate principal amount of the Bonds shall not exceed the maximum principal amount authorized in Section 1 of this Resolution; (ii) the interest rate per annum to be borne by each maturity of the Bonds, provided that the net interest cost for the Bonds shall not exceed 5.70 percent per annum; (iii) the maturity dates for the Bonds; (iv) the principal amount of each serial maturity of the Bonds and the sinking fund redemption schedule for each term maturity of the Bonds; (v) the dates on which each series of Bonds may be optionally redeemed; and (vi) the original issue discount or the original issue premium at which each maturity of the Bonds will be offered, subject to the net interest cost limitation set forth in clause (ii) of this Section 9. On the date such determinations are made and the Bond Purchase Agreement is signed, the members of the Pricing Committee shall execute a certificate setting forth its determinations, which certificate shall be attached to this Resolution and become part of the official records of the Issuer relating to the Bonds.

10. The Issuer Officials and other officers, employees, and agents of the Issuer are hereby authorized to execute and deliver, on behalf of the Issuer, such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including various certificates of the Issuer; the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G; a certificate as to arbitrage and rebate; and similar documents. The Issuer hereby approves the execution and delivery by the Trustee of the Indenture and all other instruments, certificates, and documents prepared in conjunction with the issuance of the Bonds that require execution by the Trustee, and the execution and delivery by the Prior Trustee of any documents prepared in conjunction with the Prior Bonds that require execution by the Prior Trustee. The Trustee is appointed as Paying Agent pursuant to Section 9-10 of the Indenture and is directed to maintain and keep a Bond Register for the registration and transfer of Bonds pursuant to Section 2-9 of the Indenture and such appointments are hereby ratified and confirmed.

11. On or after the date of issuance of the Bonds, the Issuer Officials are hereby authorized and directed to take any or all of the following actions to provide for the defeasance, redemption, and prepayment of the Prior Bonds pursuant to the terms of the Prior Indentures, including providing for the delivery of any conditional or unconditional notices of redemption, the establishment of a defeasance escrow to provide for the defeasance of the Prior Bonds, obtaining a defeasance opinion of bond counsel, and retaining a verification agent to verify the sufficiency of the defeasance escrow to pay all principal of, premium, if any, and principal of the Prior Bonds on the redemption date established for the Prior Bonds.

12. In case any one or more of the provisions of this Resolution, or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the aforementioned documents, or of the Bonds, but this Resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

13. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Redevelopment Act and the Tax Increment Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this Resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

14. The officers of the Issuer, bond counsel, disclosure counsel, other attorneys, and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the aforementioned documents, and the Bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this Resolution. In the event that for any reason any of the Issuer Officials is unable to carry out the execution of any of the documents or other acts provided herein, such documents may be executed and such actions may be taken by any official or employee of the Issuer or the City delegated the duties of any such Issuer Official with the same force and effect as if such documents were executed and delivered by such Issuer Official.

15. On any date subsequent to the date of issuance of the Bonds, the Issuer Officials are hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this Resolution or other documents executed and delivered in connection with the issuance of the Bonds. The Issuer Officials may impose any terms or conditions on the execution and delivery of any such amendment or supplement as the Issuer Officials deem appropriate. The authority to approve, execute, and deliver future amendments to the documents referred to in this Resolution or other documents executed and delivered in connection with the issuance of the Bonds entered into by the Issuer in connection with the transactions contemplated hereby is hereby delegated to the Executive Director and Director, Office of Financial Services, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the Issuer as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the Issuer; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel, or other counsel retained by the Issuer to review such amendments; (e) the Issuer has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Bonds, if such Bonds are then tax-exempt obligations, and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of

this Resolution. The execution of any instrument by the Executive Director and Director, Office of Financial Services shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director or Director, Office of Financial Services, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the Issuer authorized to act in their place and stead.

16. The Issuer hereby approves amending the HRA Budget as set forth in Attachment A.
17. This Resolution shall be in full force and effect from and after its passage.