



## Legislation Text

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**File #:** RES 18-629, **Version:** 1

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Approving the issuance of conduit revenue bonds by the Port Authority for the benefit of Lyngblomsten Care Center, Inc.

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act"), the Port Authority of the City of Saint Paul (the "Port Authority"), is authorized to issue revenue bonds to finance or refinance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit, engaged in providing health care services, including nursing homes; and

WHEREAS, Lyngblomsten Care Center, Inc., a Minnesota nonprofit corporation (the "Borrower"), has proposed that the Port Authority issue its (i) Health Care Facilities Revenue Bonds (Lyngblomsten Care Center, Inc. Project) Series 2018A and (ii) Taxable Health Care Facilities Revenue Bonds (Lyngblomsten Care Center Inc. Project) Series 2018B (collectively the "Bonds"); and

WHEREAS, proceeds of the Bonds will be used by the Borrower in order to (i) finance construction and equipping of improvements to an existing 277,000 square-foot, 237-bed skilled nursing facility located in the City of Saint Paul, Minnesota (the "City"), including to improve resident experience reducing the number of beds to 225; and (ii) pay a portion of the costs of issuing the Bonds (the "Project") in the combined aggregate principal amount of approximately \$10,000,000; and

WHEREAS, the Bonds are proposed to be issued under the terms of the Indenture of Trust, dated on or after May 1, 2018 (the "Indenture"), between the Port Authority and U.S. Bank National Association, as bond trustee (the "Trustee"); and

WHEREAS, the loan of the proceeds of the Bonds is proposed to be made by the Port Authority to the Borrower pursuant to the terms of a Loan Agreement, dated on or after May 1, 2018, between the Port Authority and the Borrower (the "Loan Agreement"); and

WHEREAS, the payment obligations of the Borrower under the Loan Agreement and the Indenture will be secured by a Combination Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents, dated on or after May 1, 2018 (the "Mortgage"), by the Borrower for the benefit of the Trustee; and

WHEREAS, the revenue bonds proposed to be issued by the Port Authority to finance the Project and the related costs will constitute revenue obligations secured solely by: (i) the revenues derived from the Loan Agreement; and (ii) other security provided or arranged by the Borrower; and

WHEREAS, Minnesota Statutes, Section 469.084, subd. 11, 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; and

WHEREAS, to meet the requirements of state law, the Port Authority has requested that the City Council give its requisite approval to the issuance of the proposed Bonds by the Port Authority, subject to final approval of the details of said bonds by the Port Authority; and

WHEREAS, a public hearing (the "Public Hearing") on the Project and the issuance of the Bonds was held by the Board of Commissioners of the Port Authority on April 24, 2018 after notice of such Public Hearing was published, and materials made available for public inspection at the offices of the Port Authority, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Act, at which Public Hearing all those appearing who so desired to speak were heard.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, as follows:

Section 1.               Consent. In accordance with the requirements of Minnesota Statutes, Section 469.084, subd. 11, the City Council hereby approves the issuance of the aforesaid Bonds by the Port Authority for the purposes described in the Port Authority resolution adopted April 24, 2018, the exact details of which, including but not limited to, provisions relating to maturities, interest rates, discount, and redemption are to be determined by the Port Authority. As required by Section 147(f) of the Code, the City Council also hereby approves the Public Hearing previously held by the Board of Commissioners of the Port Authority.

Section 2.               Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity, or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Resolution.

Section 3.               Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.