



Legislation Text

File #: RES PH 24-16, **Version:** 1

Approving the host issuance by the City of Mendota of one or more series of conduit revenue bonds, approving a Bond Compliance and Fee Agreement, and authorizing the execution of documents relating thereto, all for the Hourcar Project located at 206 Wabasha Street (District 3, Ward 2).

Whereas, the City of Saint Paul, Minnesota (the "City") is a municipal corporation and a political subdivision created and existing under the laws of the State of Minnesota and its City Charter, and the Mayor and Council of the City (the "Governing Body") are the elected governing officials of the City; and

Whereas, Hourcar (the "Borrower"), a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has proposed that the City of Mendota, Minnesota, a municipal corporation and a political subdivision created and existing under the laws of the State of Minnesota (the "Issuer") issue its revenue obligations, in one or more series, in a principal amount not to exceed \$1,050,000 (the "Bonds") pursuant to Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act"), to (i) finance the acquisition of, and certain improvements to, the automotive and repair facilities, located at 206 Wabasha Street South in the City, to be owned and operated by the Borrower, and (ii) pay the costs of issuing the Bonds (the "Project"); and

Whereas, Minnesota Statutes, Section 471.656, as amended, authorizes a municipality to issue obligations to finance the acquisition or improvement of property located outside of the corporate boundaries of such municipality if the governing body of the city in which the property is located consents by resolution to the issuance of such obligations; and

Whereas, the City has been advised that the Bonds or other obligations, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City or the Issuer. The Bonds or other obligations are special, limited obligations of the Issuer. The Bonds or obligations will not be a charge against the general credit or taxing powers of the City or the Issuer, but are payable from sums to be paid by the Borrower pursuant to a revenue agreement; and

Whereas, the Borrower has agreed to pay any and all costs incurred by the City in connection with the issuance of the Bonds, whether or not such issuance is carried out to completion; and

Whereas, the Borrower has represented to the City that no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project; and

Whereas, as required by the Act and Section 147(f) of the Code, a Notice of Public Hearing was published in the City's official newspaper and a newspaper of general circulation for a public hearing on the proposed issuance of the Bonds and the proposal to undertake and finance the Project; and

Whereas, as required by the Act and Section 147(f) of the Code the City Council has on this same date held a public hearing on the issuance of the Bonds and the proposal to undertake and finance the Project, which is located within the jurisdictional limits of the City, at which time all those appearing who desired to speak were heard and written comments were accepted; and

Whereas, there has been presented to the City Council the form of the Bond Compliance and Fee Agreement

anticipated to be executed upon issuance of the Bonds between the City and the Borrower (the "Bond Compliance and Fee Agreement"); and

Now, Therefore, Be It Resolved by the City Council of the City of Saint Paul, Minnesota (the "Council"), as follows:

1) That the Council hereby gives the host approval required under Section 147(f) of the Code and, pursuant to Minnesota Statutes Section 471.656, Subd. 2(2), the Council hereby approves the issuance of the Bonds by the City of Mendota, Minnesota:

(a) the proceeds of which may be loaned to Hourcar (the "Borrower"), a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, and used to (i) finance the acquisition of, and certain improvements to, the automotive and repair facilities, located at 206 Wabasha Street South in the City, to be owned and operated by the Borrower, and (ii) pay costs of issuing the Bonds (the "Project"); and

(b) the maximum aggregate stated principal amount of which is expected to be \$1,050,000.

(2) The Bond Compliance and Fee Agreement is hereby approved in substantially the form on file with the Director, Department of Planning and Economic Development.

(3) The Council hereby authorizes and directs the City's Mayor or Deputy Mayor; Director, Department of Planning and Economic Development; and Director, Office of Financial Services (the "Authorized Officials") to execute and deliver the Bond Compliance and Fee Agreement and any other necessary documents, agreements, instruments approved by the City Attorney's Office in connection with the issuance of the Bonds (collectively, the "Financing Documents"). The approval hereby given to the Financing Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the Authorized Officials authorized herein to execute said documents prior to their execution; and said Authorized Officials are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the Authorized Officials shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Authorized Officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Council by any duly designated acting official as, in the opinion of legal counsel to the City, may act in their behalf.

(4) The Borrower has agreed, and it is hereby determined that any and all costs incurred by the City in connection with the financing of the Project will be paid by the Borrower, whether or not the Project is carried to completion and whether or not the Issuer issues the Bonds.

(5) City staff is hereby authorized and directed to prepare and furnish to bond counsel and the original purchaser of the Bonds certified copies of all proceedings and records of the City relating to the approval of the issuance of the Bonds, including a certification of this resolution.

Be It Further Resolved that this approval is solely for the purpose of complying with, and is to be construed in accordance with, the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, and, as applicable, Minnesota Statutes, Section 471.656, Subdivision 2(2), and shall not result in or impose any pecuniary liability upon or constitute a lien upon the property of or a claim against the City, the State of

Minnesota, or any political subdivision thereof.

Be It Further Resolved that this resolution shall take effect and be in force from and after its approval.