



Legislation Details (With Text)

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Title: Authorizing the issuance and negotiated sale of a Taxable Lease Revenue Note, Series 2014; delegating to a Pricing Committee the authority to set the terms thereof within parameters set forth in this Resolution; fixing the form and specifications of the Note; approving the forms of a Loan Agreement, a Stadium Clubhouse Lease, an Assignment of Stadium Clubhouse Lease and other related documents; and directing the execution and delivery of the Note and related documents.

Sponsors: Dave Thune

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Date	Ver.	Action By	Action	Result
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9/24/2014	1	City Council	Adopted	Pass

Authorizing the issuance and negotiated sale of a Taxable Lease Revenue Note, Series 2014; delegating to a Pricing Committee the authority to set the terms thereof within parameters set forth in this Resolution; fixing the form and specifications of the Note; approving the forms of a Loan Agreement, a Stadium Clubhouse Lease, an Assignment of Stadium Clubhouse Lease and other related documents; and directing the execution and delivery of the Note and related documents.

WHEREAS, the Office of Financial Services has recommended that the City issue its Taxable Lease Revenue Note, Series 2014 (the "Note"), in the original aggregate principal amount of \$1,500,000 pursuant to the City Charter and Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act");

WHEREAS, BMO Harris Bank N.A., a national banking association (the "Lender") will loan the proceeds derived from the sale of the Note to the City under the terms of a Loan Agreement, to be dated on or after September 1, 2014 (the "Loan Agreement"), between the City and the Lender (the "Loan"); and

WHEREAS, the proceeds of the Note will be applied by the City for the purpose of: (i) funding the installation and construction of a locker room (the "Locker Room") to be occupied by Hamline University (the "Tenant" or "Hamline") at the City's new regional ballpark (the "Ballpark") owned by the City that is a municipal stadium as set forth in Minnesota Statutes, Section 272.01, as amended (the "Project"); and (ii) paying a portion of the cost of the Ballpark;

WHEREAS, the Tenant will lease the Locker Room from the City under the terms of a Stadium Clubhouse Lease, dated on or after September 1, 2014 (the "Lease"), between the City and the Tenant and the City will assign its rights under the Lease, subject to certain reserved rights, to the Lender under the terms of an Assignment of Lease, dated on or after September 1, 2014 (the "Assignment of Lease"), from the City to the Lender; and

WHEREAS, contemporaneously with the issuance of the Note and the execution and delivery of the Loan Agreement, the Tenant and the St. Paul Saints Baseball Club, Inc. (the "Saints") will enter into a Marketing and Operations Use Agreement, dated on or after September 1, 2014 (the "Hamline Use Agreement"); and

WHEREAS, the City and the Saints have previously entered into (i) a Development Agreement, dated as of October 23, 2013 (the "Development Agreement"), relating to the construction and funding of the Ballpark, and (ii) a Baseball Use Agreement, dated as of October 23, 2013 (the "Saints Use Agreement") relating to the operation and use of the Ballpark; and

WHEREAS, the Note is a special, limited obligation of the City payable to the Lender solely from the Pledged Revenues (as defined in the Loan Agreement) under the terms of the Note and the Loan Agreement; and

WHEREAS, the Note is not a general obligation of the City and the full, faith and credit and taxing power of the City are not pledged to the payment of the Note and the Note is solely payable from the Pledged Revenues and the Note is not payable from any other revenues or assets of the City; furthermore, the Lender shall never have the right to ask the City to use its taxing power for any payments with respect to the Note; and

WHEREAS, the Office of Financial Services of the City has presented a proposal to delegate to a pricing committee (the "Pricing Committee") the negotiations with the Lender for the sale of the Notes; and

WHEREAS, the Pricing Committee shall consist of the Director, Office of Financial Services or his designee, the City Debt Manager or his designee, and a representative of Springsted Incorporated; and

WHEREAS, the City of Saint Paul has all requisite legal authority to enter into the Loan Agreement, the Lease, the Assignment of Lease, and the Note, and upon execution thereof, the Note will be a legal, valid and binding obligation of the City of Saint Paul.

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

Section 1. The Note.

1.01. Issuance of Note. The Note is hereby authorized to be issued, sold, and delivered in a principal amount not to exceed \$1,500,000. The Note shall be issued as a special, limited obligation of the City and shall be payable solely from the Pledged Revenues and funds pledged therefor under the terms of a Loan Agreement. The Note shall be issued as a fixed-rate obligation. The Note shall be designated, dated, mature, be subject to redemption and tender prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Loan Agreement (in the form now on file with the City). The Note is hereby authorized to be issued as a "taxable note" the interest on which is includable in gross income for federal and State of Minnesota income tax purposes. The Note is hereby authorized to be issued in accordance with the provisions of the Municipal Debt Act and under the terms of this resolution (the "Resolution") and the Loan Agreement. The proceeds derived from the sale of the Note shall be applied to: (i) the Project; and (ii) paying a portion of the cost of the Ballpark.

1.02. Sale of Note. It is hereby found and determined to be in the best interests of the City to issue and sell the Note to the Lender subject to the approval of the Pricing Committee and compliance with the parameters set forth below. The Pricing Committee may approve the sale of the Note to the Lender on terms and at a purchase price within the following limitations: (a) the total original aggregate principal amount of the Note shall not exceed \$1,500,000; (b) the interest rate on the Note shall not exceed 7.00%; and (c) the Note shall mature not later than July 1, 2030.

1.03. Special, Limited Revenue Obligation. Neither the Note, nor the interest thereon, shall constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation; nor shall the Note constitute or give rise to a pecuniary liability of the City, except from the Pledged Revenues expressly

pledged to payment of the debt service on the Note under the terms of this Resolution and the Loan Agreement. The Note shall not constitute a charge against any taxing powers of the City and the full faith and credit of the City is not pledged to the payment of the Note or interest thereon.

1.04. Form of Note; Execution and Delivery. All of the provisions of the Note, 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 Note shall be substantially in the form or forms set forth in the Loan Agreement, which form or forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the name of the Note, the aggregate principal amount of the Note, the stated maturity date of the Note, the interest rate on the Note, and the terms of prepayment of the Note) as the Director, Office of Financial Services, in his discretion, shall determine. The execution of the Note with the manual or facsimile signatures of the Mayor or the Mayor's designee, the City Clerk or the City Clerk's designee, and the Director, Office of Financial Services or his designee (collectively, the "City Officials"), and the delivery of the Note by the City shall be conclusive evidence of such determination.

Section 2. Principal Documents.

2.01. Loan Agreement. The City Officials are hereby authorized to execute and deliver the Loan Agreement. All of the provisions of the Loan Agreement, 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 Loan Agreement shall be substantially in the form on file with the City, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Director, Office of Financial Services, in his discretion, shall determine, and the execution and delivery thereof by the City Officials shall be conclusive evidence of such determination.

2.02. Lease. The City Officials are hereby authorized to execute and deliver the Lease. All of the provisions of the Lease, 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 Lease shall be substantially in the form on file with the City, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Director, Office of Financial Services, in his discretion, shall determine, and the execution and delivery thereof by the City Officials shall be conclusive evidence of such determination. The City's rights under the Lease shall be assigned to the Lender pursuant to the terms of the Assignment of Lease.

2.03. Hamline Use Agreement. The City Officials are hereby authorized to execute and deliver the Hamline Use Agreement or to accept and agree to the terms of the Hamline Use Agreement, as necessary. All of the provisions of the Hamline Use Agreement, 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 Hamline Use Agreement shall be substantially in the form on file with the City, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Director, Office of Financial Services, in his discretion, shall determine, and the execution and delivery thereof by the City Officials shall be conclusive evidence of such determination.

2.04. Assignment of Lease. The City Officials are hereby authorized to execute and deliver the Assignment of Lease. All of the provisions of the Assignment of Lease, 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 Assignment of Lease shall be substantially in the form on file with the City, which is hereby approved, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as

the Director, Office of Financial Services, in his discretion, shall determine, and the execution and delivery thereof by the City Officials shall be conclusive evidence of such determination.

2.05. Execution and Delivery of Documents. It is hereby found, determined, and declared that: (i) the issuance and sale of the Note, the execution and delivery by the City of the Loan Agreement, the Lease, the Assignment, the Hamline Use Agreement, and any other documents required for the issuance of the Note to the Lender (collectively, the "Documents"), and the performance of all covenants and agreements of the City contained in the Documents, and of all other acts and things required under the Constitution and laws of the State of Minnesota to make the Documents and the Note valid and binding obligations of the City (and in the case of the Note a special, limited obligation of the City) in accordance with their terms, are authorized by the Municipal Debt Act; and (ii) it is desirable that the Note be issued by the City and that the Documents be prepared and executed to facilitate that issuance on the general terms described herein.

2.06. Closing Documents. The City Officials are authorized and directed to prepare and furnish to the Lender, the Tenant and Bond Counsel certified copies of proceedings and records of the City relating to issuance of the Note and other transactions herein contemplated, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Note and the other transactions herein contemplated as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

2.07. Additional Documents. The approval hereby given includes authorization for the City Officials to negotiate and finalize the Documents and includes approval of, among other things, such related instruments, contracts, and other documents as may be required to satisfy the conditions of the Lender, the parties to the Documents, and the City Attorney and Bond Counsel.

Section 3. Amendments to Documents. The authority to approve, execute, and deliver future amendments to the Documents and other financing documents entered into by the City in connection with the issuance of the Note and the other transactions herein contemplated, is hereby delegated to the Director, Office of Financial Services, subject to the following conditions: (i) such amendments do not require the consent of the holders of the Note, or if such consent is required it has been obtained; (ii) such amendments do not materially adversely affect the interests of the City as the issuer of the Note; (iii) such amendments do not contravene or violate any policy of the City; and (iv) such amendments are acceptable in form and substance to the City Attorney and Bond Counsel. The execution of any instrument by the Director, Office of Financial Services shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

Section 4. Limitations on Liability. No covenant, stipulation, obligation, or agreement contained herein or in the Documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council, or any officer, agent, or employee of the City in that persons individual capacity, and neither the City Council nor any officer executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 5. Severability. In case anyone or more of the provisions of this Resolution, or of the aforementioned Documents, or of the Note 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 Note, but this Resolution, the aforementioned Documents, and the Note shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

Section 6. Professionals. Springsted Incorporated ("Springsted") is hereby named financial advisor to the City with respect to the Note. Barnes & Thornburg LLP is hereby named as bond counsel for the Note. Barnes & Thornburg LLP is hereby authorized to work with City staff to prepare the necessary financing documents.

Section 7. 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.