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Title: Approving the issuance of up to \$10,650,000 of limited tax-supported refunding and new money bonds series 2016-5 and 2016-6.

Sponsors: Dan Bostrom

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Attachments: 1. Financial Analysis for Series 2016-5 and 6 Limited Tax Supported Bonds, 2. Port Authority Board Memo, 3. Port Authority Resolution No. 4587

Date	Ver.	Action By	Action	Result
11/14/2016	2	Mayor's Office	Signed	
11/9/2016	2	City Council	Adopted	Pass

Approving the issuance of up to \$10,650,000 of limited tax-supported refunding and new money bonds series 2016-5 and 2016-6.

WHEREAS, pursuant to C.F. No. 03-1019 adopted by the City Council of the City of Saint Paul (the "City Council") on November 19, 2003 and Resolution No. 4040 adopted by the Port Authority of the City of Saint Paul (the "Port Authority") on October 28, 2003, the Port Authority has previously issued its \$5,060,000 Taxable Limited Tax Supported Business Development Program Reserve Bonds, Series 2003-19 (the "Series 2003 Bonds") to provide funds which were used to capitalize a business development bond; and

WHEREAS, the Series 2003 Bonds were issued pursuant to an Indenture of Trust, dated as of December 1, 2003 (the "2003 Indenture") which provided for the issuance of additional parity lien bonds under certain circumstances; and

WHEREAS, pursuant to C.F. No. 07-86 adopted by the City Council of the City of Saint Paul (the "City Council") on February 7, 2007, and Resolution No. 4203 adopted by the Port Authority of the City of Saint Paul (the "Port Authority") on January 23, 2007, the Port Authority has previously issued its \$12,495,000 Limited Tax-Supported Brownfields Redevelopment Program Bonds, Series 2007-2 (the "Series 2007 Bonds") to provide funds which were used by the Port Authority in the operation of the Brownfields Redevelopment Program; and

WHEREAS, the Series 2007 Bonds were secured and paid from the proceeds of a tax levy (the "Mandatory Levy") under Minn. Stat §469.053, Subd. 4 (the "Mandatory Tax Levy Act") that the Port Authority is entitled to request, and that the City is required (upon such request) to levy for the benefit of the Port Authority; and

WHEREAS, the Series 2007 Bonds were issued pursuant to an Amended and Restated Indenture of Trust, dated as of February 1, 2007 (as amended from time to time by the Port Authority, the "Indenture"), which amended and restated the 2003 Indenture and provided for the issuance of additional parity lien bonds under certain circumstances; and

WHEREAS, the Series 2003 Bonds have been paid in full and are no longer outstanding under the Indenture; and

WHEREAS, as of the date of this resolution, the Series 2007 Bonds are outstanding in the principal amount of \$10,490,000; and

WHEREAS, the Port Authority has been advised by its municipal advisor, PFM Financial Advisors LLC (formerly known as Public Financial Management, Inc.), that the outstanding Series 2007 Bonds may be refunded on a current basis in order to achieve debt service savings; and

WHEREAS, the Port Authority may issue additional limited tax-supported tax-exempt or taxable bonds in one or more series in an aggregate principal amount not to exceed \$10,650,000 (the "Bonds") under the Indenture as amended by a first supplemental indenture in order to (i) current refund the outstanding Series 2007 Bonds, (ii) finance the costs of all or a portion of one or more economic development projects in the City that the Port Authority is authorized to fund under the provisions of Minnesota Statutes, Sections 469.048 through 469.068, as amended (the "Port Authority Act"), (iii) if necessary, fund a debt service reserve fund for the Bonds, and (iv) pay the costs of issuing the Bonds; and

WHEREAS, the Series 2007 Bonds and the Bonds will be limited tax-supported bonds of the Port Authority secured by a property tax levy made by the Port Authority under the Mandatory Tax Levy Act; and

WHEREAS, the Port Authority's annual tax levy under the provisions of the Mandatory Tax Levy Act for the Series 2007 Bonds will not increase upon issuance of the Bonds; and

WHEREAS, it is now proposed that the Port Authority issue the Bonds payable solely from a tax levy to be requested by the Port Authority under the Mandatory Tax Levy Act; and

WHEREAS, upon issuance the Bonds will be the only obligations outstanding under the terms of the indenture; and

WHEREAS, the Bonds will be payable solely from amounts pledged thereto under the Indenture and the Bonds will not be an obligation of the City and the full, faith and credit and taxing power of the City are not pledged to the payment of the Bonds; and

WHEREAS, the Bonds will not be a general or moral obligation of the City.

NOW THEREFORE; in consideration of the foregoing, it is hereby resolved by the City Council of the City of Saint Paul (the "City Council") as follows:

1. The issuance of the Bonds in an aggregate principal amount not to exceed \$10,650,000 for the purposes described above are hereby approved, subject to the establishment by the Port Authority of the exact detail, including principal amount, maturities, interest rates, discount, and redemption features.
2. In accordance with Laws of Minnesota 1976, Chapter 234, the City Council hereby consents to the issuance of the Bonds and any bonds issued in the future to refund the Bonds, the exact details of which, including but not limited to, provisions relating to the principal amount, maturities, interest rates, discount, redemption, and for the issuance of additional bonds are to be determined by the Port Authority, pursuant to a resolution adopted by the Port Authority and any required amendment to the Indenture, and the City Council hereby authorizes the issuance of any refunding bonds which are found by the Port Authority to be necessary for carrying out the purposes for which the Bonds or any refunding bonds are to be issued.
3. The Port Authority is hereby authorized and directed to request a Mandatory Levy in each of the years beginning 2016 (payable 2017 and end 2036 (payable 2037) in the annual amount needed to pay debt service on the Bonds and any refunding bonds issued by the Port Authority to refund the Bonds.

4. The City hereby agrees that it will take no action that would adversely affect the Port Authority's ability to request and/or receive a Mandatory Levy under the provisions of the Mandatory Tax Levy Act with respect to the Bonds.