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Title: Approving the issuance of conduit revenue bonds by the Port Authority for the benefit of District Energy Saint Paul, Inc.

Sponsors: Rebecca Noecker

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Attachments: 1. SPPA Board Memo - District Energy - Final Authorization for Tax Exempt and Taxable Bond Issue.pdf, 2. SPPA Resolution - District Energy St. Paul - Authorization for an Approximate \$25,000,000 Tax-Exempt and Taxable Bond Issue.pdf

Date	Ver.	Action By	Action	Result
10/27/2017	1	Mayor's Office	Signed	
10/25/2017	1	City Council	Adopted	Pass

Approving the issuance of conduit revenue bonds by the Port Authority for the benefit of District Energy Saint Paul, Inc.

WHEREAS, under the Minnesota Municipal Industrial Development Act, Minnesota Statutes, Sections 469.152 -469.1655, 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; and

WHEREAS, District Energy Saint Paul, Inc., a Minnesota nonprofit corporation ("District Energy"), has proposed that the Port Authority issue its (i) District Energy Revenue Bonds, 2017-3 (501(c)(3)), (ii) District Energy Revenue Bonds, Series 2017-4 (AMT), and (iii) District Energy Revenue Bonds, Series 2017-5 (Taxable) (collectively the "2017 District Energy Bonds"); and

WHEREAS, proceeds of the 2017 District Energy Bonds will be used by District Energy in order to (i) finance improvements to its heating and cooling distribution system and its heating and cooling plants located in the City of Saint Paul, Minnesota (the "City"); (ii) pay a portion of the interest on the 2017 District Energy Bonds; (iii) fund one or more reserve accounts to secure timely payment of the 2017 District Energy Bonds; and (iv) pay a portion of the costs of issuing the 2017 District Energy Bonds (the "Project") in the combined aggregate principal amount of approximately \$25,000,000; and

WHEREAS, the 2017 District Energy Bonds are proposed to be issued under the terms of the Bond Indenture of Trust, dated on or after November 1, 2017 (the "Bond Indenture"), between the Port Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"); and

WHEREAS, the loan of the proceeds of the 2017 District Energy Bonds is proposed to be made by the Port Authority to District Energy pursuant to the terms of a Loan Agreement, dated on or after November 1, 2017, between the Port Authority and District Energy (the "Loan Agreement"); and

WHEREAS, the payment obligations of District Energy under the Loan Agreement and the Bond Indenture will be secured by one or more obligations of District Energy issued under the terms of one or more supplements to an Amended and Restated Master Trust Indenture, dated as of November 1, 2015 (as amended and supplemented from time to time, the "Master Indenture"), between District Energy, as obligated group representative, and U.S. Bank National Association, as master trustee (the "Master Trustee"); and

WHEREAS, under the terms of the Master Indenture, District Energy has pledged its gross revenues to secure any obligations issued under the Master Indenture and District Energy has also granted a mortgage on its heating and cooling plants to the Master Trustee as security for all obligations issued under the Master Indenture; 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 (which includes the revenues pledged under the obligation(s) issued by the Borrower under the Master Indenture); (ii) other revenues pledged to or otherwise received by District Energy, except for those revenues necessary for ordinary operational expenses and required under Minnesota law; and (iii) other security provided or arranged by District Energy; and

WHEREAS, Minnesota Statutes, Chapter 469.084(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 2017 District Energy 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 2017 District Energy Bonds was held by the Board of Commissioners of the Port Authority on September 26, 2017 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 469.084(11), the City Council hereby approves the issuance of the aforesaid 2017 District Energy Bonds by the Port Authority for the purposes described in the Port Authority resolutions adopted September 26, 2017 and October 24, 2017, 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.