

Legislation Details (With Text)

File #:	RES 23-257	Version: 1				
Туре:	Resolution		Status:	Passed		
			In control:	City Council		
			Final action:	2/22/2023		
Title:	Approving a public hearing on the issuance of conduit charter school lease revenue bonds by the Housing and Redevelopment Authority (the "HRA") for the benefit of Community School of Excellence Project located at 270 Larpenteur Avenue West (District 6, Ward 5).					
Sponsors:	Amy Brendmoen					
Indexes:						
Code sections:						
Attachments:						

Date	Ver.	Action By	Action	Result
2/28/2023	1	Mayor's Office	Signed	
2/22/2023	1	City Council	Adopted	Pass

Approving a public hearing on the issuance of conduit charter school lease revenue bonds by the Housing and Redevelopment Authority (the "HRA") for the benefit of Community School of Excellence Project located at 270 Larpenteur Avenue West (District 6, Ward 5).

(a) Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Act") confers upon each housing and redevelopment authority of the State of Minnesota, including the HRA, is authorized to issue revenue bonds to finance, 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

(b) The HRA has been designated, to exercise, on behalf of the City of Saint Paul, Minnesota (the "City") the powers conferred by Minnesota Statutes, 469.152 through 469.1655, as amended; and

(c) The HRA has received a proposal from CSE Building Company, a Minnesota nonprofit corporation and 501(c)(3) organization (the "Borrower"), to finance a project hereinafter described, pursuant to the Act, through the issuance of one or more series of revenue bonds, in an estimated aggregate principal amount not to exceed \$59,000,000 (the "Bonds"); and

(a) The project to be financed by the Bonds is (i) the construction of a new approximately 65,000 square foot high school addition on the existing charter school campus (the "School Facility") located at 270 Larpenteur Avenue (i) the construction of an approximately 65,000 square foot three-story high school addition on the existing charter school campus (the "Existing School Facilities") located at 270 Larpenteur Avenue West in the City of Saint Paul, Minnesota (the "City"), to serve students in grades 9 through 12; (ii) refund the Issuer's outstanding Charter School Lease Revenue Bonds (Community School of Excellence Project), Series 2016A (the "Series 2016 Bonds"); (iii) fund a debt service reserve fund for the Bonds; (iv) fund capitalized interest on the Bonds; and (v) pay the costs of issuance of the Bonds (the "Project"); and

(d) The School Facility is owned by the Borrower and the Project will be owned by the Borrower; and the School Facility is currently leased and operated and will continue to be leased and operated by the Community School of Excellence, a Minnesota nonprofit corporation and public charter school (the "School"); and (e) The proposal calls for the HRA to loan the proceeds realized upon the issuance and delivery of the Bonds to the Borrower pursuant to a loan agreement wherein the Borrower will be obligated to pay all costs and expenses of the HRA and the City incident to the issuance of the Bonds; and

(f) The City desires to facilitate the Project; and

(g) Pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder, a notice of public hearing in the required form was published in a newspaper of general circulation in advance of the date of such public hearing; and

(h) A public hearing on the Project was held by the HRA, on February 8, 2023, following duly published notice in the *Pioneer Press*, a newspaper of general circulation in the City on January 24, 2023, with respect to the required public hearing under Section 147(f) of the Code; and

(i) During said public hearing a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing;

(j) 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.

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

1. The City hereby approves the issuance of conduit charter school lease revenue bonds described above, to be undertaken by the Borrower pursuant to the Borrower's specifications, and approves the Project, pursuant to the Act.

2. The publication of the notice of public hearing by HRA staff prior to the public hearing is hereby ratified.

3. The Project and the issuance of the Bonds, is hereby approved by the City subject to final approval by the Borrower and the purchaser of the Bonds as to ultimate details of the financing of the Project. This approval is given pursuant to the requirement set forth in Section 147(f) of the Code and the Act and is not offered for any other purposes, including, but not limited to, the tax consequences of this financing arrangement.

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

5. Ballard Spahr LLP, as bond counsel, and such financial institutions as may be selected by Borrower, with the consent of the HRA, are authorized to assist in the preparation and review of necessary documents relating to the Project and to consult with the Saint Paul City Attorney, Borrower and the purchaser of the Bonds as to the maturities, interest rates and other terms and provisions of the Bonds and as to the covenants and other provisions of the necessary documents and submit such documents to the HRA for final approval.

6. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City or the HRA except the revenue and proceeds pledged to the payment thereof, nor shall the City or the HRA be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City or the HRA to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City or the HRA. The Bonds shall recite in substance that the Bonds, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment hereof. The Bonds shall not constitute a debt of the City or the HRA within the meaning of any constitutional, charter, or

File #: RES 23-257, Version: 1

statutory limitation.

7. The City Council hereby authorizes the appropriate City Officials or their proper designees to execute agreements and such other documents necessary to carry out this Resolution. The City may execute documents, certificates, and instruments relating to the issuance of the Bonds and the Project by electronic signature. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party).

8. The City's PED Director, staff and legal counsel are hereby authorized and directed to take all actions necessary to implement this Resolution.