



Legislation Text

File #: RES PH 13-184, **Version:** 1

Amending the financing and spending plans in the Lowertown Ballpark Project in the amount of \$9,000,000, and designating the St. Paul Port Authority as the issuer of Taxable Limited Tax-Supported Ballpark Revenue Bonds.

WHEREAS, on July 18, 2012 the Saint Paul City Council approved *RES PH 12-213* (see Attachment A), establishing a \$54,000,000 budget for the Lowertown Ballpark Project (the "Ballpark"); and

WHEREAS, unexpected site conditions required additional expenses to the Ballpark that were not anticipated in the original budget; and

WHEREAS, to cover these unanticipated expenses, the City will contribute \$2,000,000, and the St. Paul Saints Baseball Club, Inc. will contribute \$1,000,000; and

WHEREAS, the remaining \$6,000,000 required for the project will be funded through an internal loan, which is expected to be reimbursed by external funding sources, including grants; and

WHEREAS, a future Council resolution will establish a record of internal loan; and

WHEREAS, MN Statute 116J.433 allows the City of Saint Paul to deliver the project through a design-build or construction manager at-risk method; and

WHEREAS, the City of Saint Paul (the "City") has requested that the Port Authority of the City of Saint Paul (the "Port Authority") participate in the financing of a new multi-purpose regional ballpark (the "Ballpark") through the issuance of Taxable Limited Tax-Supported Ballpark Revenue Bonds, Series 2013 (the "Port Authority Bonds"), and the application of the proceeds derived from the sale of the Port Authority Bonds to the payment of a portion of the capital costs of the Ballpark; and

WHEREAS, the payment of the debt service on the Port Authority Bonds is proposed to be secured by, and is expected to be paid from, payments to be made by the St. Paul Saints Baseball Club, Inc., a Minnesota corporation (the "Saints"), and other revenue sources; and

WHEREAS, as additional security for the Port Authority Bonds, the Port Authority Bonds are proposed to be secured by the pledge of a mandatory tax levy authorized by Minnesota Statutes, Section 469.053, subdivisions 4 and 5 (the "Tax Levy Act"); and

WHEREAS, as a condition to the authorization of a mandatory tax levy under the Tax Levy Act, the City Council must first adopt a resolution stating the proposed annual amount of the mandatory levy increase that the Port Authority would be entitled to request each year during the proposed term of the mandatory tax levy, and that the City would be required (upon such request) to impose for payment of the debt service on the Port Authority Bonds;

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that there are available for appropriation, funds of \$9,000,000;

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

1. In accordance with Laws of Minnesota 1976, Chapter 234, the City Council hereby consents to the issuance of the Port Authority 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 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 Port Authority Bonds are to be issued.
2. The application of the proceeds derived from the sale of the Port Authority Bonds to the financing of a portion of the capital costs of the Ballpark is hereby approved.
3. The City Council hereby approves an increase in the mandatory tax levy authorized by the Tax Levy Act of up to \$800,000 per annum during the term of the Port Authority Bonds which term shall commence in 2015 and extend to a year not later than 2043.
4. The Port Authority is hereby authorized and directed to request a mandatory tax levy in the annual amount required to pay the debt service of the Port Authority Bonds during the term of the Port Authority Bonds, provided however on an annual basis the Port Authority must cancel the levy if it is not needed to pay debt service on the Port Authority Bonds.
5. In accordance with the requirements of the Tax Levy Act, this resolution granting preliminary approval to an increase in the mandatory tax levy authorized by the Tax Levy Act, together with a notice of public hearing on this resolution, is directed to be published for two successive weeks in the official newspaper of the City and a newspaper of general circulation in the City; a date for a public hearing on the question of increasing the mandatory tax levy shall be established, which date shall occur between two and four weeks after the first publication of the notice of public hearing; and the public hearing shall be held before this City Council on the question of the proposed increase in the mandatory tax levy under the terms of the Tax Levy Act.
6. In the event that following the public hearing referred to herein, the City Council grants final approval to the proposed increase in the mandatory tax levy, the City hereby agrees that it will take no action that would adversely affect the ability of the Port Authority to request and receive a mandatory tax levy for the purposes set forth herein under the terms of the Tax Levy Act.

FINALLY, BE IT RESOLVED by the Council of the City of Saint Paul, upon recommendation of the Mayor and advice of the Long Range Capital Improvement Budget Committee, approves the amendments to the Capital Improvement and Operating budgets as detailed in the attached financial analysis (See Attachment B).

Financial Analysis

See Attachment B.

CIB Recommendation

The St. Paul Long-Range Capital Improvement Budget Committee received this request on August 12, 2013 and recommended approval.