



## Legislation Text

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**File #:** RES 14-725, **Version:** 1

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Authorizing and directing the execution of certain documents in connection with the delivery of an alternate letter of credit securing the City's Taxable Variable Rate Demand Sales Tax Revenue Refunding Bonds (RiverCentre Arena Project), Series 2009A.

WHEREAS, on May 1, 2009, the City of Saint Paul, Minnesota, a home rule charter city and a political subdivision of the State of Minnesota (the "City"), issued its Taxable Variable Rate Demand Sales Tax Revenue Refunding Bonds (RiverCentre Arena Project), Series 2009A (the "Series 2009A Bonds"), in the original aggregate principal amount of \$65,455,000, the proceeds of which were used to refund the City's outstanding Taxable Sales Tax Revenue Bonds (RiverCentre Arena Project), Series 1999A; and

WHEREAS, the Series 2009A Bonds were issued under the terms of an Indenture of Trust, dated as of May 1, 2009 (the "Original Indenture"), between the City and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and are currently outstanding in the aggregate principal amount of \$54,165,000; and

WHEREAS, to secure the payment of the Series 2009A Bonds, U.S. Bank National Association (the "Original Bank") issued its Irrevocable Letter of Credit No. SLCMMSP05598 (the "Original Letter of Credit") to the Trustee under the terms of a Reimbursement Agreement, dated as of May 1, 2009 (the "Original Reimbursement Agreement"), between the City and the Original Bank; and

WHEREAS, the Original Letter of Credit will expire on June 30, 2014, and the City has determined it will not extend the Original Letter of Credit with the Original Bank; and

WHEREAS, the Office of Financial Services solicited competitive bids from various financial institutions and selected Wells Fargo Bank, National Association (the "Bank"), to provide the new letter of credit (the "Letter of Credit"); and

WHEREAS, in connection with the issuance of the Letter of Credit by the Bank, there are on file with the City forms of a Reimbursement Agreement (the "Reimbursement Agreement") proposed to be entered into between the City and the Bank; a First Supplemental Indenture of Trust (the "First Supplemental Indenture") proposed to be entered into between the City and the Trustee, which supplements and amends the Original Indenture (as supplemented and amended, the "Indenture"); a Fee Agreement (the "Fee Agreement") proposed to be entered into between the City and the Bank; a Remarketing Agreement (the "Remarketing Agreement") proposed to be entered into between the City and Wells Fargo Securities, LLC, or an affiliate, as remarketing agent (the "Remarketing Agent"); and an Amended and Restated Intercreditor Agreement and Fourth Supplement to Indenture of Trust (the "Intercreditor Agreement") proposed to be entered into between the City, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "Authority"), the Trustee, Wells Fargo Bank, National Association, as trustee for the Authority's Sales Tax Revenue Refunding Bonds (Civic Center Project), Series 1996 (the "Series 1996 Bonds"), which sets forth the priority of revenues pledged to the payment of the Series 1996 Bonds and the Series 2009A Bonds; and

WHEREAS, the Letter of Credit will be delivered as an Alternate Letter of Credit under the terms of the Original Indenture, and Section 4-2 of the Original Indenture requires a mandatory tender of all Series 2009A Bonds at any time an Alternate Letter of Credit is delivered to secure the Series 2009A Bonds; and

WHEREAS, in order for the Remarketing Agent to remarket the Series 2009A Bonds on the date the Letter

of Credit becomes effective, which is expected to occur on or after May 23, 2014, the City may be required to prepare, or cause to be prepared, a remarketing circular or supplement.

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

Section 1.     The Bank and the Letter of Credit. The selection of the Bank to provide the Letter of Credit to secure the Series 2009A Bonds is hereby ratified and approved. The Director, Office of Financial Services is authorized to take all actions necessary or appropriate to provide for the timely substitution of the Letter of Credit for the Original Letter of Credit.

Section 2.     Bond Documents. 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") are hereby authorized to execute and deliver the First Supplemental Indenture and the Intercreditor Agreement. All of the provisions of the Supplemental Indenture and the Intercreditor Agreement, when executed as authorized herein, shall be deemed to be a part of this resolution (the "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 Supplemental Indenture and the Intercreditor Agreement shall be substantially in the forms on file with the City, which are 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.

Section 3.     Bank Documents. The City Officials Are hereby authorized to execute and the deliver the Reimbursement Agreement, the Fee Agreement, and the Remarketing Agreement. All of the provisions of the Reimbursement Agreement, the Fee Agreement, and the Remarketing 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 Reimbursement Agreement, the Fee Agreement, and the Remarketing Agreement shall be substantially in the forms on file with the City, which are 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.

Section 4.     Disclosure Documents. The City Officials, with the assistance of the Office of Financial Services, Springsted Incorporated, the City Attorney, and Kennedy & Graven, Chartered, as bond counsel ("Bond Counsel"), are hereby authorized to prepare or provide for the preparation of a Remarketing Circular (including a Preliminary Remarketing Circular), or another form of disclosure document or documents (collectively, the "Disclosure Documents") to be distributed in connection with the remarketing of the Series 2009 Bonds in connection with the substitution of the Letter of Credit for the Original Letter of Credit. The Disclosure Documents are hereby authorized to be distributed with such modifications thereto, deletions therefrom, and additions thereto as may be necessary and appropriate and approved by the Director, Office of Financial Services, the City Attorney, and Bond Counsel.

Section 5.     Certifications. The City Officials are authorized and directed to prepare and furnish to the Bank, the purchasers of the remarketed Series 2009 Bonds, and Bond Counsel certified copies of proceedings and records of the City relating to the substitution of the Letter of Credit for the Original Letter of Credit, the remarketing of the Series 2009 Bonds, 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 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.

Section 6. Other Documents. The City Officials are hereby authorized and directed to execute any documents necessary to carry out the intentions of this Resolution.