Legislation Text

File #: RES 15-945, **Version:** 2

Granting (i) approval to enter into the necessary documents with the Port Authority of the City of Saint Paul for the development, construction, installation, and equipping of a new Public Safety Training Facility for the City of Saint Paul and the demolition of the existing Public Safety Annex of the City of Saint Paul and stabilization of such site after demolition; and (ii) preliminary approval of the issuance of certain public safety general obligation bonds anticipated to be issued by the City of Saint Paul and authorizing City finance staff and advisors to take certain actions with respect to the sale of such public safety general obligation bonds.

WHEREAS, the City of Saint Paul, Minnesota (the "City") has determined that the existing public safety training facilities located in the City's Public Safety Annex at 100 East 10th Street (the "Public Safety Annex") for certain functions of the City's police officers (the "Public Safety Officers") are not adequate for the modern training needs of the City's Public Safety Officers;

WHEREAS, the City's Capital Improvement Budgets and other budget documents for the last few years have identified the replacement of the Public Safety Annex with modern training facilities for the City's Public Safety Officers as a priority capital infrastructure need of the City;

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") has extensive experience developing and financing public facilities and large buildings in the City for use by businesses and units of government such as the State of Minnesota and the City;

WHEREAS, because of the Port Authority's development experience, the City is proposing to contract with the Port Authority for the development, acquisition, construction, installation, and equipping of a new public safety training facility currently anticipated to be located at 600 Lafayette in the City (the "Public Safety Training Facility");

WHEREAS, the Port Authority anticipates that it will enter into a construction loan (the "Construction Loan") with a qualified financial institution to provide financing, in an amount currently estimated not to exceed $15,000,000, for the (i) development, construction, installation, and equipping of the Public Safety Training Facility, (ii) interest on the Construction Loan during construction of the Public Safety Training Facility, and (iii) costs of issuance for the Construction Loan including any fees agreed to by the City and the Port Authority;

WHEREAS, the Construction Loan will be a revenue obligation of the Port Authority with interest on the Construction Loan and all costs associated with the development, construction, installation, and equipping of the Public Safety Training Facility payable from the proceeds of the Construction Loan and the Construction Loan shall be payable at maturity from funds paid by the City under the terms of the Purchase Agreement;

WHEREAS, the St. Paul Police Foundation (the "Police Foundation") is proposing to contribute approximately $3,000,000 for the acquisition and a portion of the cost of the Public Safety Training Facility;

WHEREAS, the City is also proposing to contract with the Port Authority for the demolition of the existing Public Safety Annex and stabilization of the Public Safety Annex site after demolition, the costs of which will be payable in a manner determined by the City and the Port Authority;

WHEREAS; the Public Safety Training Facility will contain modern training facilities and classroom space for the Public Safety Officers, vehicle and equipment storage, and parking;

WHEREAS, prior to the Port Authority entering into the Construction Loan, the Port Authority will need to enter into a purchase agreement or other agreement (the “Purchase Agreement”) with the City whereby the City will agree to purchase the Public Safety Training Facility and pay all costs associated with the demolition of the City’s existing Public Safety Annex upon completion in an amount agreed upon by the City and the Port Authority, but in no event less than the amount necessary to pay off the Construction Loan and pay the costs of issuance;

WHEREAS, the City is authorized under the City Charter and Minnesota Statutes, Chapter 475, including Section 475.521, as amended (the "Act"), to issue general obligation bonds for the cost of public safety facilities such as the Public Safety Training Facility if the City has satisfied the provisions of the Act prior to the issuance of the general obligation bonds;

WHEREAS, the City has issued general obligation bonds under the Act to fund the cost of the construction, installation and equipping of other public safety facilities such as the City's Western District Police Station, Police Headquarters and Fire Stations 1 and 10;

WHEREAS, City finance staff currently estimate that the amount of public safety general obligation bonds to be needed to purchase the Public Safety Training Facility upon completion is $15,000,000 (the "Bonds");

WHEREAS, under the Act, the City must adopt a five-year capital improvement plan with respect to the Public Safety Training Facility (the "CIP") after a public hearing that considers the items required in Section 475.521 Subd. 3 of the Act and the City must also hold a public hearing with respect to the issuance of the Bonds;

WHEREAS, the proposed Bonds would be general obligations of the City to which the City pledges its full, faith and general credit and unlimited taxing power payable from general ad valorem taxes;

WHEREAS, City finance staff currently anticipates selling the Bonds by negotiated or competitive sale in late calendar year 2016 or early in calendar year 2017 in consultation with its municipal advisor to purchase the Public Safety Training Facility and, consequently, provide funds for the Port Authority to repay the Construction Loan.

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

1) The Mayor, and the Director of the Office of Financial Services, and other appropriate City officials and staff are hereby authorized and directed to proceed with negotiations and execution of a Purchase Agreement and other necessary documents with the Port Authority for the development, acquisition, construction, installation, and equipping of the Public Safety Training Facility, as well as the demolition of the existing Public Safety Annex and stabilization of the site, in substantial compliance with the terms expressed above.

2) The Mayor, the Director of the Office of Financial Services, and the Debt Manager, and other appropriate City officials and staff are hereby authorized and directed to (i) prepare a CIP for the Public Safety Training Facility that complies with the requirements of the Act, (ii) publish notice of and establish the time and date for the City Council of the City to hold a public hearing with respect to the CIP and the proposed issuance of the Bonds, and (iii) proceed with other necessary preliminary actions for the issuance and sale of the Bonds and the development of the Public Safety Training Facility. The Bonds shall be issued and sold in conformance with the provisions of the City Charter and the Act.

3) Springsted Incorporated is hereby named municipal advisor to the City with respect to the issuance and sale of the Bonds

4) Barnes & Thornburg LLP is hereby named as bond counsel for the City with respect to the Bonds and to assist the City as determined by the Office of Financial Services and the City Attorney's Office in the negotiation of any required documentation for the development of the Public Safety Training Facility by the Port Authority and the Construction Loan.

5) Springsted Incorporated and Barnes & Thornburg LLP are hereby authorized to work with City staff to (i) develop and construct the CIP, as appropriate, (ii) assist the City in negotiations with the development of the Public Safety Training Facility, (iii) prepare the City's Official Statements or other offering documents and materials for the issuance and sale of the Bonds, and (iv) such other documents, instruments and certificates as may be necessary for further approval of this City Council for the Public Safety Training facility and the acquisition of such, including the issuance and sale of the Bonds.

6) The City intends to make expenditures for the Public Safety Training Facility and reimburse such expenditures from the proceeds of the Bonds. This resolution is intended to constitute a declaration of the City's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the Bonds, in conjunction with the capital projects financed thereby.

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