



Legislation Text

File #: RES 15-2097, **Version:** 1

Approving a First Supplement to Indenture of Trust and related documents with respect to the Taxable Revenue Refunding Notes (State of Minnesota Continuing Appropriation Grant), Series 2014; and directing the execution and delivery of the First Supplement to Indenture of Trust, and related documents.

WHEREAS, under Laws of Minnesota 1993, Chapter 375, Article 9, Section 46, as amended (the "Local Sales Tax Act"), the City is authorized to impose an additional sales tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, Chapter 297A, as amended, that occur within the City (the "Local Sales Tax"); and

WHEREAS, under the terms of the Local Sales Tax Act the Council of the City adopted resolutions approving the Local Sales Tax Act and imposing the Local Sales Tax; and

WHEREAS, under the terms of subdivision 2 of the Local Sales Tax Act, the City was authorized to use the revenues derived from the Local Sales Tax to pay all or a portion of the capital expenses of construction, equipment, and acquisition costs for the expansion and remodeling of the St. Paul Civic Center Complex, now known as the Saint Paul RiverCentre Complex ("RiverCentre") including the demolition of the existing arena and the construction and equipping of a new arena; and

WHEREAS, under the provisions of Minnesota Statutes, Section 469.001-469.047, as amended (the "HRA Act") and the Local Sales Tax Act, The Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") issued its Sales Tax Revenue Bonds (Civic Center Project), Series 1993 (the "Series 1993 Bonds"), in the original principal amount of \$65,000,000, and under the terms of a Joint Pledge Agreement, dated as of November 1, 1993 (the "Original Pledge Agreement"), between the City, the HRA, Norwest Bank Minnesota, National Association, now known as Wells Fargo Bank, National Association, as trustee (the "Series 1993 Trustee"), and the Civic Center Authority, now known as the Saint Paul RiverCentre Convention & Visitors Authority (the "Authority"), there was pledged to payment of the Series 1993 Bonds the following: (i) proceeds received by the City from the Local Sales Tax; and (ii) net revenues received by the Authority from the operation of the RiverCentre; and

WHEREAS, under applicable provisions of the HRA Act and the Local Sales Tax Act, and under the terms of an Indenture of Trust, dated as of April 1, 1996 (the "Series 1996 Indenture"), between the HRA and Norwest Bank Minnesota, National Association, now known as Wells Fargo Bank, National Association, as trustee (the "Series 1996 Trustee"), the HRA issued its Sales Tax Revenue Refunding Bonds (Civic Center Project), Series 1996 (the "Series 1996 Bonds"), in the original principal amount of \$55,865,000, and applied the proceeds of the Series 1996 Bonds to the advance refunding of the Series 1993 Bonds; and

WHEREAS, the Series 1996 Bonds were secured under the terms of the Original Pledge Agreement, as amended by a First Amendment to Pledge Agreement, dated as of April 1, 1996, between the City, the HRA, the Series 1996 Trustee, and the Authority, by a pledge of the following: (i) proceeds received by the City from the Local Sales Tax; and (ii) net revenues received by the Authority from the operation of the RiverCentre; and

WHEREAS, under the terms of Section 3-1 of the Series 1996 Indenture, the Series 1996 Bonds are subject to redemption at the option of the HRA on November 1, 2015, at a redemption price equal to the sum of the principal amount of the Series 1996 Bonds to be redeemed, plus a premium equal to three percent (3%)

of the principal amount of the Series 1996 Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, the HRA may pay and discharge the Series 1996 Bonds prior to November 1, 2015, by irrevocably depositing in escrow with the Trustee investments of the types described in Section 12-6(5) of the Series 1996 Indenture; and

WHEREAS, under Laws of Minnesota 2012, Chapter 299, Article 1, Section 5(a), as codified in Minnesota Statutes, Section 16A.726(c) (the "Grant Act"), \$2,700,000 is annually appropriated from the General Fund of the State of Minnesota from fiscal year 2014 through fiscal year 2033 to the Commissioner of the Minnesota Department of Management and Budget ("MMB") for a grant to the City for the operating or capital costs of new or existing sports facilities; and

WHEREAS, under the terms of a General Fund Grant Agreement Annual Appropriation Grant for the City of Saint Paul Sports Facilities Project, effective as of December 9, 2013 (the "Grant Agreement"), between the City and MMB, the MMB has agreed to make a grant of money to the City in the annual amount of \$2,700,000 for the fiscal years 2014 through 2033 (the "Grant Revenues") to be used by the City to reimburse itself for expenditures the City has made since July 1, 2013, and to pay or reimburse itself for future expenditures for the operating or capital costs of new or existing sports facilities to be operated by the City as sports facilities (or for such other uses as the Minnesota Legislature may from time to time designate); and

WHEREAS, under the terms of Resolution 14-721, adopted by the Council of the City on April 23, 2014, and the provisions of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act"), and the Grant Act, the City issued its Taxable Revenue Refunding Notes (State of Minnesota Continuing Appropriation Grant), Series 2014 (the "Series 2014 Notes") in the original aggregate principal amount not to exceed \$33,720,000, under the terms and conditions of an Indenture of Trust, dated as of August 1, 2014 (the "Indenture"), between the City and the Trustee, and applied the proceeds derived from the sale of the Series 2014 Notes to: (i) the immediate defeasance of the entire outstanding principal amount of the Series 1996 Bonds and the optional redemption and prepayment on November 1, 2015, of the entire outstanding principal amount of the Series 1996 Bonds; (ii) payment of the operating or capital costs of new or existing sports facilities to be operated by the City; and (iii) payment of the costs of issuing the Series 2014 Notes (including any underwriters' or placement agents' compensation); and

WHEREAS, the holders of the Series 2014 Notes have requested that amendments be made to certain provisions of the Indenture to reflect the understanding of the holders as to the application of redemption payments in the event of mandatory or optional redemptions in part and scheduled mandatory redemption payments with respect to the Series 2014 Notes;

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

Section 1. First Supplement to Indenture. The amendments to the Indenture that have been requested by the Holders have been incorporated into a First Supplement to Indenture of Trust, to be dated on or after December 1, 2015 (the "Supplement"), between the City and the Trustee. The Supplement, substantially in the form on file with the City on the date hereof, is 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. 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 Supplement. The execution and delivery of the Supplement by the City Officials shall be conclusive evidence that all variations, omissions, and insertions to the Supplement do not materially change the substance of the Supplement or have been determined to be necessary and appropriate by the Director, Office of Financial Services.

Section 2. Closing Documents. The City Officials are authorized and directed to prepare and furnish to Piper Jaffray & Co., in its capacity as placement agent for the Series 2014 Notes (the "Placement Agent"), the Holders, and Kennedy & Graven, Chartered, in its capacity as bond counsel ("Bond Counsel"), certified copies of proceedings and records of the City relating to the execution and delivery of the Supplement and other transactions herein contemplated, and such other affidavits and certificates as may be required to show the facts relating to the validity and enforceability of the Supplement and related documents 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 3. Additional Documents. The approval hereby given includes authorization for the City Officials to negotiate and finalize the Supplement and related documents (collectively, the "Documents") and includes approval of, among other things, such related instruments, contracts, and other documents as may be required to satisfy the conditions of the Placement Agents, any Holder, the parties to the Documents, counsel to the foregoing, and the City Attorney and Bond Counsel.

Section 4. Amendments to Documents. The authority to approve, execute, and deliver future amendments to the Documents and other financing documents entered into by the City in connection with the Series 2014 Notes, the Indenture, the Supplement, and other Documents and the other transactions herein contemplated, is hereby delegated to the Director, Office of Financial Services, subject to the following conditions: (i) such amendments do not require the consent of the Holders of the Series 2014 Notes, or if such consent is required it has been obtained; (ii) such amendments do not materially adversely affect the interests of the City as the issuer of the Series 2014 Notes; (iii) such amendments do not contravene or violate any policy of the City; and (iv) such amendments are acceptable in form and substance to the City Attorney and Bond Counsel. The execution of any instrument by the Director, Office of Financial Services shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

Section 5. Limitations on Liability. No covenant, stipulation, obligation, or agreement contained herein or in the Documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council, or any officer, agent, or employee of the City in that persons individual capacity, and neither the City Council nor any officer executing the Supplement or other Documents shall be liable personally on the Supplement or other Documents or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

Section 6. Severability. In case any one or more of the provisions of this Resolution, or of the aforementioned Documents, or of the Series 2014 Notes issued by the City shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the aforementioned Documents, or of the Series 2014 Notes, but this Resolution, the aforementioned Documents, and the Series 2014 Notes shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

Section 7. 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.