



Legislation Text

File #: RES 15-2196, **Version:** 1

Approving the issuance of Port Authority Great Northern Business Center TIF Refunding Bonds, Continuation of a Discretionary Levy, and execution of the amended and restated joint powers agreement.

WHEREAS, by its Council File No. 00-657, the City authorized the Port Authority of the City of Saint Paul (the "Port Authority") to issue bonds to provide funds to finance the costs of preparing approximately 21 acres of land in the Great Northern Business Center - Phase I Tax Increment Financing District and Hazardous Substance Subdistrict (the "TIF District") for development; and

In connection with the issuance by the Port Authority of its \$4,555,000 Tax Exempt Tax Increment Revenue Refunding Bonds (Great Northern Business Center North Project), Series 2006-2 (the "Prior Bonds") the City, by Council File No. 06-368 (the "City Resolution"), (i) agreed to levy taxes pursuant to Minnesota Statutes, Section 469.053, Subd. 4, in each year during the term of the Prior Bonds in an amount equal to \$105,000 (the "Discretionary Levy"), to provide funds for the Port Authority to pledge as additional security for the Prior Bonds and (ii) approved the execution and delivery of an Amended and Restated Agreement Relating to Great Northern Business Center Project and Joint Powers Agreement Relating to Bonds Issued Therefor (the "JPA") in connection with the issuance of the Prior Bonds; and

The Port Authority has determined that it is in its best interest to issue its tax increment revenue refunding note or bonds (the "Refunding Bonds") in a principal amount not exceeding \$3,500,000 to refund the outstanding principal amount of the Prior Bonds on March 1, 2016, to achieve debt service savings; and

The Refunding Bonds will be secured primarily by the Port Authority's pledge of tax increment generated by the TIF District, but based on information provided to the Port Authority by Robert W. Baird & Co., in its role as placement agent for the Refunding Bonds, the Port Authority has determined that it is beneficial for the Port Authority to pledge the Discretionary Levy in order to sell the Refunding Bonds at advantageous interest rates; and

The Port Authority has requested that the City adopt this resolution (i) approving issuance by the Port Authority of the Refunding Bonds, (ii) agreeing to continue to levy the Discretionary Levy to provide additional security for the Port Authority to pledge to the payment of the Refunding Bonds, and (iii) authorizing execution and delivery by City officials of an amendment and restatement of the JPA relating to the issuance of the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Saint Paul that:

1. For purposes of Minnesota Statutes, Section 469.084, Subd. 11, the City hereby approves the issuance by the Port Authority of the Refunding Bonds for the purposes described above.
2. To facilitate the issuance of the Refunding Bonds, the City hereby agrees that it shall continue to make the discretionary levy at the request of the Port Authority in order to provide for additional funds to provide debt service coverage and enable the Port Authority to achieve a lower interest rate on the Refunding Bonds.
3. To facilitate the issuance and sale of the Refunding Bonds, the City hereby authorizes the Mayor, City Clerk and Director, Office of Financial Services to execute and deliver on behalf of the City an

amendment and restatement of the JPA in substantially the form on file with the City as of the date hereof.