



Legislation Text

File #: RES PH 16-294, **Version:** 1

Amending the City of Saint Paul's 2016 Capital Budget to provide for the acquisition of the portion of the Jimmy Lee Recreation Center not currently owned by the City of Saint Paul from the Housing and Redevelopment Authority of the City of Saint Paul.

WHEREAS; in 2008, the Housing and Redevelopment Authority of the City of Saint Paul, (the "HRA"), issued its Recreational Facility Lease Revenue Bonds, Series 2008 (the "Series 2008 Bonds") to finance the acquisition of an undivided 42.5% interest (the "Project") of the Jimmy Lee Recreation Center (the "Facility"); and

WHEREAS; the proceeds of the sale of the HRA's Series 2008 Bonds were used by the HRA to finance improvements to the Facility and the associated Oxford Swimming Pool; and

WHEREAS; the HRA leases the portion of the Facility improved by the proceeds of the Series 2008 Bonds to the City to be operated as a recreation center and pool; and

WHEREAS; the Series 2008 Bonds are secured an Indenture of Trust (the "Indenture") between the HRA and U.S. Bank National Association, as trustee, and by a Lease Agreement dated as of June 1, 2008 (the "Lease") by and between the HRA and City under which payments made by the City pursuant to the Lease are pledged by the HRA to the payment of the Series 2008 Bonds;

WHEREAS, under the terms of the Lease and the Indenture and the City may acquire the portion of the Facility that the City leases for \$1.00 at the end of the term of the Lease or by paying the purchase option price set forth in the Lease; and

WHEREAS; the HRA and the City have been advised by Springsted Incorporated as municipal advisor that the Series 2008 Bonds may now be refinanced for debt service savings by the HRA resulting in lower payments for the City's lease of the Facility; and

WHEREAS; in consultation with Springsted, Inc. the City's municipal advisor and Barnes & Thornburg LLP, the City's Bond counsel, the City may acquire its interest in the Facility that is leased by it under the Lease and may finance the acquisition of the portion of the Facility that it is leasing through the issuance of General Obligation Capital Improvement Budget Bonds if such bonds are approved by the Long Range Capital Improvement Budget Committee ; and

WHEREAS, Springsted Incorporated has advised City finance staff that General Obligation Capital Improvement Budget bonds will attain the lowest possible interest rate for the City and utilize the proceeds of such bonds to acquire the portion of the Facility currently owned by the HRA; and

WHEREAS; the City wishes to issues General Obligation Capital Improvement Budget Bonds to finance the acquisition of the HRA owned portion of the Facility in order to maximize savings and conduct the refinancing in the most efficient manner possible; now, therefore, be it

RESOLVED, by the City Council of the City of Saint Paul, upon recommendation of the Mayor, and the advice of the Long Range Capital Improvement Budget Committee, that the 2016 Capital Improvement Budget be amended to include the acquisition of the Jimmy Lee Recreation Center from the HRA as heretofore amended by the Council.

See Attachment

..CIB Recommendation

The Saint Paul Long-Range Capital Improvement Budget Committee Received this request on September 12, 2016. The Committee approved of the resolution.