



## Legislation Text

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**File #:** RES PH 17-165, **Version:** 1

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Resolution Consenting to the Issuance by the City of Mendota, Minnesota of a Capital Campaign Bridge Financing Note and by the Cities of Little Canada, Minnesota and Falcon Heights, Minnesota of Educational Facilities Revenue Refunding Notes on Behalf of Saint Paul Academy and Summit School, 1712 Randolph Avenue, District 15, Ward 3.

WHEREAS, Saint Paul Academy and Summit School, a Minnesota nonprofit corporation (the "Borrower"), desires to provide capital campaign bridge financing related to the acquisition, construction and equipping of a math and science center located at Randolph and Davern and to refinance the acquisition, construction, and improvement of certain of the Borrower's educational facilities, including those located at Dunlap and Goodrich Avenues and Randolph and Davern in Saint Paul, Minnesota (the "Project"); and

WHEREAS, Bremer Bank, National Association ("Bank") has agreed to finance the Project through purchase of tax exempt notes in the approximate aggregate principal amount of \$25,000,000 (the "Notes") issued pursuant to Minnesota Statutes, Sections 469.152 through 469.165, as amended; and

WHEREAS, the commitment of the Bank to buy the Notes is conditioned upon each being designated by the issuer as a "qualified tax-exempt obligation" ("bank qualified") under Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul (the "HRA") is not able to issue bank qualified obligations for this Project because it expects to issue more than \$10,000,000 in obligations for use by other nonprofit organizations or for its own corporate use in calendar year 2017; and

WHEREAS, the City of Mendota ("Mendota"), a community of approximately 200 residents is adjacent to the City of Saint Paul, Minnesota (the "City") and many of Mendota's residents use services, including educational services, in the City; and

WHEREAS, Mendota is willing to issue a Note to finance the math and science center and to designate such Note as bank qualified; and

WHEREAS, the Cities of Little Canada ("Little Canada") and Falcon Heights ("Falcon Heights") are communities of approximately 9,773 and 5,321 residents, respectively, and are inner ring suburbs of the City, and many of Little Canada's and Falcon Heights' residents use services in the City, including residents who attend school at the Borrower's educational facilities; and

WHEREAS, Little Canada and Falcon Heights are each willing to issue Notes to refinance, in part, the HRA's Educational Facility Revenue Refunding Bonds (Saint Paul Academy and Summit School Project), Series 2007 (the "Prior Bonds") and to designate such Notes as bank qualified; and

WHEREAS, Section 147(f) of the Code requires that an applicable elected representative of each governmental unit in which facilities to be financed by the Notes are located must approve the issuance of the Notes following a public hearing; and

WHEREAS, the members of the HRA are all elected members of the City Council of the City; and

WHEREAS, following the publication of a notice (the "Public Notice") of a public hearing in the Legal Ledger, the official newspaper of the City, on May 29, 2017, and in the Pioneer Press, a newspaper of general circulation in the City, on May 27, 2017, at least 14 days before the date hereof, the Board of Commissioners of the HRA (the "Board") conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views on the proposal to undertake the Project and the proposed issuance of the Notes; and

WHEREAS, the Notes are payable solely from revenues of the Borrower, will not be general or moral obligations of the HRA, Mendota, Little Canada, Falcon Heights, or any other political subdivision of the State of Minnesota, but will be payable solely from revenues of the Borrower, to the extent and in the manner provided in the documents executed in connection with the issuance of the Notes;

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, as follows:

1. Upon payment of the applicable fees charged by the HRA, and the Borrower's execution of a Bond Compliance Agreement with respect to the Notes issued by Mendota only, the HRA hereby consents to and approves the issuance of the Notes by Mendota, Little Canada, and Falcon Heights to finance and refinance the Project, including the refunding of the Prior Bonds, as required by Section 147(f) of the Code, and pursuant to Minnesota Statutes, Sections 469.155, subd. 12 and 471.656, subd. 2(2).

2. In no event shall the Notes ever be payable from or charged upon any funds of the HRA or the City; nor shall the HRA or the City be subject to any liability thereon; no owners of the Notes shall ever have the right to compel the exercise of the taxing power of the HRA or the City to pay any of the Notes or the interest thereon, nor to enforce payment thereof against any property of the HRA or the City; the Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA or the City; and the Notes do not constitute an indebtedness of the HRA or the City within the meaning of any constitutional or statutory limitation.

3. The HRA Executive Director, staff, and legal counsel are authorized and directed to take all necessary action to implement this Resolution. The HRA Executive Director is authorized to execute and deliver any necessary documents, agreements, and instruments approved by the City Attorney's Office.