



## Legislation Text

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**File #:** RES 19-72, **Version:** 1

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Approving the issuance of conduit revenue obligations by the Port Authority for the benefit of Concordia University, St. Paul, or any of its affiliates. (Laid over from January 23 and February 6) (To be withdrawn)

WHEREAS, under Minnesota Statutes, Sections 469.048 through 469.068 and 469.084, as amended (the "Port Authority Act"), and Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Development Act"), the Port Authority of the City of Saint Paul (the "Port Authority") is authorized to issue revenue bonds to finance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

WHEREAS, Concordia University, St. Paul, a Minnesota nonprofit corporation, or any of its affiliates (the "Borrower"), has proposed that the Port Authority issue its conduit revenue obligations, in one or more series, as taxable or tax-exempt obligations (the "Notes"), in an estimated aggregate principal amount not to exceed \$5,500,000, for the benefit of the Borrower, for the purposes of (i) financing a portion of the costs of the acquisition of a building located at 393 North Dunlap Street, Saint Paul, Minnesota (the "Project"), to be owned and operated by the Borrower for educational purposes; (ii) funding required reserves, if any; and (iii) paying costs of issuance of the Notes; and

WHEREAS, the Notes are proposed to be issued under the terms of a resolution of the Board of Commissioners of the Port Authority to be considered on January 22, 2019 (the "Note Resolution") and are proposed to be sold to Bremer Bank, National Association, a national banking association (the "Lender"); and

WHEREAS, the loan of the proceeds of the Notes is proposed to be made by the Port Authority to the Borrower pursuant to the terms of a Loan Agreement (the "Loan Agreement") between the Port Authority and the Borrower; and

WHEREAS, the Loan Agreement requires the Borrower to make loan repayments to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Notes when due, and the Port Authority will assign its rights to the loan repayments (excluding certain reserved rights of the Port Authority), additional payments, and certain other rights under the Loan Agreement to the Lender pursuant to the terms of a Pledge Agreement between the Port Authority and the Lender; and

WHEREAS, the Notes proposed to be issued by the Port Authority to finance the Project and the related costs will constitute revenue obligations secured solely by: (i) the revenues derived from the Loan Agreement; (ii) other revenues pledged to or otherwise received by the Borrower; and (iii) other security provided or arranged by the Borrower, including a mortgage and an assignment of leases and rents; and

WHEREAS, Section 469.084, subdivision 11 of the Port Authority Act provides that any issue of revenue obligations authorized by the Port Authority shall be issued only with the consent of the City Council of the City of Saint Paul, by resolution adopted in accordance with law; and

WHEREAS, to meet the requirements of state law, the Port Authority has requested that the City Council give its approval to the issuance of the proposed Notes by the Port Authority, subject to final approval of the details of the Notes by the Port Authority; and

WHEREAS, a public hearing (the "Public Hearing") on the Project and the issuance of the Notes will be held

by the Board of Commissioners of the Port Authority on January 22, 2019 after notice of such Public Hearing is published and materials are made available for public inspection at the offices of the Port Authority, as required by the Development Act and Section 147(f) of the Internal Revenue Code of 1986, as amended, at which Public Hearing all those appearing who so desired to speak were heard.

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

Section 1.           Consent. In accordance with the requirements of Section 469.084, subdivision 11 of the Port Authority Act, the City Council hereby approves the issuance of the aforesaid Notes by the Port Authority for the purposes described herein, the exact details of which, including but not limited to, provisions relating to maturities, interest rates, and redemption are to be determined by the Port Authority. As required by Section 147(f) of the Code, the City Council also hereby approves the Public Hearing held by the Board of Commissioners of the Port Authority.

Section 2.           Severability. If any section, paragraph, or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity, or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this resolution.

Section 3.           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.