



Legislation Text

File #: RES 19-270, **Version:** 1

Approving the purchase by the City of Saint Paul of improvements to the RiverCentre Parking Ramp made by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota with the proceeds of its Parking Facility Lease Revenue Bonds, Series 2009 (RiverCentre Parking Ramp Improvements) and the redemption of bonds

WHEREAS, under Laws of Minnesota 1993, Chapter 375, Article 9, Section 46, as amended (the "Local Sales Tax Act"), the City of Saint Paul, a home rule city, municipal corporation, and political subdivision of the State of Minnesota (the "City"), is authorized to impose an additional sales tax of up to one-half of one percent on sales transactions in the City taxable under Minnesota Statutes, Chapter 297A, as amended, and a use tax at the same rate for the use, storage, distribution, or consumption in the City of personal property purchased without payment of the City sales tax (the City sales and use tax is hereinafter referred to as the "Local Sales Tax"); and

WHEREAS, under the terms of Subdivision 2 of the Local Sales Tax Act, the City is authorized to use the net revenues derived from imposition of the Local Sales Tax to pay for the following projects or to secure or pay any principal, premium, or interest on bonds issued for the following projects: (i) the capital expenses of construction, equipment and acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex, including the demolition of the existing arena and the construction and equipping of a new arena; and (ii) capital projects to further residential, cultural, commercial, and economic development in both downtown St. Paul and St. Paul neighborhoods; and

WHEREAS, under the terms of Subdivision 3 of the Local Sales Tax Act, the City is authorized to issue special revenue bonds to finance all or a portion of the cost for projects authorized in Subdivision 2 of the Local Sales Tax Act and such bonds may be paid from or secured by any funds available to the City, including the Local Sales Tax, any revenues derived from the projects, and tax increments from the tax increment districts that include the projects; and

WHEREAS, on May 1, 2009, the City issued its Taxable Variable Rate Demand Sales Tax Revenue Refunding Bonds (RiverCentre Arena Project), Series 2009A (the "Series 2009A Bonds"), the proceeds of which were used to refund the City's outstanding Taxable Sales Tax Revenue Bonds (RiverCentre Arena Project), Series 1999A (the "Series 1999A Bonds"), the proceeds of which were applied to the demolition of the St. Paul Civic Center complex and the construction and equipping of a new arena currently known as the Xcel Energy Center (the "Arena") and related improvements; and

WHEREAS, under Laws of Minnesota 2008, Chapter 366, Article 5, Section 36, as amended by Laws of Minnesota 2014, Chapter 150, Article 5, Section 5 (the "HRA Special Law"), the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is authorized to apply tax increment from a downtown tax increment district designated the "Minnesota Event District" to pay principal of and interest on the Series 2009A Bonds, including payment of principal and interest on bonds issued to repay the Series 2009A Bonds; and

WHEREAS, the City has determined that it is necessary and in the best interests of the City to issue its Taxable Sales Tax Revenue Refunding Bonds (RiverCentre Arena Project), Series 2019A (the "Series 2019A Bonds"), the proceeds of which are to be applied by the City to the defeasance, current redemption, and prepayment of the outstanding principal amount of the Series 2009A Bonds; and

WHEREAS, on May 5, 2009, under the terms of an Indenture of Trust, dated as of May 1, 2009 (the "HRA Indenture"), between the HRA and U.S. Bank National Association, a national banking association (the "HRA Trustee"), the HRA issued its Parking Facility Lease Revenue Bonds, Series 2009 (RiverCentre Parking Ramp Improvements) (the "HRA Bonds"), the proceeds of which were applied to: (i) refund the Parking Facility Lease Revenue Bonds, Series 2000 (RiverCentre Parking Ramp Improvements), the proceeds of which were used to finance improvements (the "Prior Improvements") to the RiverCentre Parking Ramp located adjacent to the Arena (the "Parking Ramp"); and (ii) finance additional improvements (the "New Improvements") to the Parking Ramp; and

WHEREAS, the Prior Improvements and the New Improvements (collectively, the "Parking Ramp Improvements") are leased to the City under the terms of a Lease Agreement Regarding Acquisition, Construction, Installation and Lease of Improvements Designated as Personal Property, dated as of May 1, 2009 (the "HRA Lease"), between the HRA and the City, and the City has been granted an option to purchase the Parking Ramp Improvements under the terms of the HRA Lease; and

WHEREAS, the City has determined that it is necessary and in the best interests of the City to exercise its option to purchase the Parking Ramp Improvements in the amount necessary to redeem the HRA Bonds under the terms of the HRA Lease by issuing its Tax-exempt Sales Tax Revenue Refunding Bonds, Series 2019C (the "Series 2019C Bonds"); and

WHEREAS, the purchase price of the Parking Ramp Improvements are proposed to be applied by the HRA to the redemption and prepayment of the HRA Bonds; and

WHEREAS, the 2019 HRA budget needs to be amended in order to prepay and redeem the HRA Bonds;

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

1. The officials and staff of the HRA are hereby authorized to take all actions necessary or appropriate to facilitate the purchase and acquisition by the City of the Parking Ramp Improvements under the terms and conditions of the HRA Lease, and any and all other actions necessary to implement the intent of this resolution.
2. The officials and staff of the HRA are hereby authorized, in cooperation with the HRA Trustee, to take all actions necessary or appropriate to apply the purchase price of the Parking Ramp Improvements to the defeasance, redemption, and prepayment of the outstanding principal amount of the HRA Bonds at the earliest date possible under the terms and conditions of the HRA Indenture.
3. The pledge and application of the Minnesota Event District tax increment to the Series 2019A Bonds in accordance with the terms of the HRA Special Law is hereby authorized and confirmed and the officials and staff of the HRA are authorized to execute and deliver any instruments necessary or appropriate to document such pledge and application.
4. The 2019 HRA Debt Service Fund budget is hereby amended, as shown in the attached financial analysis.