



Legislation Text

File #: Ord 19-39, **Version:** 1

Granting authority to the Port Authority of the City of Saint Paul to issue and sell general obligation bonds to which the Port Authority pledges the full faith, credit, and resources of the City of Saint Paul pursuant to the provisions and by authority of said Minnesota Statutes, Chapters 469 and 475, as amended.

WHEREAS, the Port Authority of the City of Saint Paul (the "Port Authority") has advised the City of Saint Paul (the "City") of its belief that the approximately 112 acres currently comprising the Hillcrest Golf Course (the "Property") are blighted and marginal properties within the meaning of Minnesota Statutes, Section 469.048, Subd. 5, and has asked the City to authorize the issuance and sale, by the Port Authority, of its general obligation bonds in an original aggregate principal amount not to exceed \$10,000,000 solely for use in the Project described below (the "Bonds"), in one or more tax-exempt and/or taxable series, and for the pledge of the full faith, credit and resources of the City to the payment of such Bonds all pursuant to Minnesota Statutes, Section 469.060; and

WHEREAS, copies of the Port Authority's written request and briefing memo, attached as Exhibit A and B, respectively, were presented to said City Council on behalf of said Port Authority, as and for its application for the authorization described above, and, by reference, said documents are made a part hereof; and

WHEREAS, the Port Authority's request includes the following commitments on the part of the Port Authority: no Tax Increment Financing (TIF) will be requested for infrastructure for the Project at any time; no further financial assistance will be requested from the City to complete the Project; the Port Authority will be responsible for the cost of any reasonable off-site improvements to public infrastructure required to serve or support the Project, specifically including but not limited to the sanitary sewer identified in the Port's briefing letter that throttles before connecting to the Metropolitan Council interceptor; the Port Authority will adhere to the City's parkland dedication requirements; the Port Authority will deliver approximately five (5) acres of active, improved park area (at a location to be determined by, and subject to, the Master Planning and platting process and further subject to the oversight of City's Parks & Recreation Department) to be funded by the Port Authority, in an amount not to exceed \$2,500,000, without contribution from the City; the Port authority will provide approximately fifteen (15) acres of publicly accessible passive open green space, buffer and stormwater retention space (at location(s) to be determined by, and subject to, the Master Planning and platting process) to be owned and maintained by the Port Authority or a third-party; the Port Authority will be responsible for the design, engineering, construction and delivery of public infrastructure and constructible development pads in accordance with the Master Plan and the City's engineering requirements; and

WHEREAS, in its request the Port Authority described the purposes for which the Bonds will be used, to wit: the acquisition and other action deemed necessary to make the Property suitable and attractive for development, and the payment of costs incurred in connection with such acquisition and necessary action including costs of issuance of the bonds described herein (the "Project"); and

WHEREAS, the City Council of the City, being duly advised in the premises, finds and determines that the Project constitutes blighted and marginal property within the meaning of Minnesota Statutes, Chapter 469, as amended (the "Act"), and that it is necessary and proper that the Port Authority issue and sell the Bonds in an aggregate principal amount not to exceed \$10,000,000 solely to fund the Project, to wit: to defray the cost and expense necessary to be incurred by said Port Authority for its acquisition of the Project, its construction of infrastructure improvements thereon, the preparation of the Project for redevelopment, and for all other purposes authorized by authority of the Act and Minnesota Statutes, Chapter 475, as amended (the "Municipal

Debt Act”); and

WHEREAS, on the basis of the foregoing, it is now the intention of the City Council of the City to grant authority to the Port Authority for the issuance of the Bonds; to prescribe the manner for establishing the amount, maturity schedule and rates of interest to be borne by the Bonds; to authorize the Port Authority to establish the date, denomination, place of payment and other details of the Bonds, including the form of the Bonds, in the manner provided in this Ordinance; and to authorize and consent to the pledge by the Port Authority of the full faith, credit and resources of the City to the payment of the Bonds as the same shall be issued and sold by the Port Authority, pursuant to the authority of the Act and the Municipal Debt Act, and pursuant to the authority granted by this Ordinance.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SAINT PAUL DOES ORDAIN:

Section 1

That subject to, and in accordance with, the applicable provisions, terms and conditions of this Ordinance and those contained in the Act, authority is hereby granted to the Port Authority of the City of Saint Paul, for the issuance and sale of Bonds in an original aggregate principal amount not to exceed \$10,000,000 solely for funding the Project and the use of the proceeds of such Bonds, for its defrayment of the cost and expense necessarily to be incurred by it for its acquisition of the Project, its construction of infrastructure improvements thereon, the preparation of the Project for redevelopment, payment of costs of issuance thereof, and for all other purposes authorized by the authority of the Act and the Municipal Debt Act.

Section 2

That the Port Authority is hereby authorized and directed to establish the date, denomination, place of payment, form and details of the Bonds, provided that: the Bonds shall be issued and sold by the Port Authority as tax-exempt and/or taxable Bonds, in one or more series, in the manner provided and allowed by law; the Bonds shall mature in the years and bear interest at the rate or rates per annum established by the offer to purchase the series of the Bonds then being issued which is determined to be the most favorable by a Pricing Committee comprised of a representative from the Port Authority, the City's Treasurer, the City Debt Manager (or designee), and a representative of PFM Financial Advisors, LLC or such other fiscal consultant as may have been retained by the Port Authority in connection with the issuance of the Bonds (collectively, the “Pricing Committee”), on the basis of bids received by the Port Authority; and the proceeds from the issuance and sale of the Bonds as received by said Port Authority shall be deposited by it in a fund of the Port Authority subject to disbursement only in defrayment of the costs and expenses necessarily to be incurred by the Port Authority for its acquisition of the Project, its construction of infrastructure improvements thereto, the preparation of the Project for redevelopment, and for all other purposes authorized by the Act. The Bonds may be made subject to redemption and prepayment at the option of the Port Authority at such time and price or prices as shall be determined by the Port Authority and approved by the Pricing Committee described above and upon such notice as is required by law.

Section 3

That as security for the prompt and faithful payment of both principal and interest of said Bonds said Port Authority is hereby authorized to pledge the full faith, credit and resources of the City of Saint Paul, and such Bonds, both in respect of the principal amount of the same and in respect of the interest thereon, shall be paid by the Port Authority from tax levies provided therefore and authorized by the Act and the Municipal Debt Act.

Section 4

That the Port Authority, in the event of the issuance of any series of said Bonds authorized hereunder, shall, before the issuance of the same, levy for each year, until the principal and interest are paid in full, a direct annual tax on all the taxable property in said City of Saint Paul in which the Port Authority has been created, in an amount not less than 5% in excess of the sum required to pay the principal and interest of the same when

and as such principal and interest mature and, after such Bonds have been delivered to the purchasers, such tax shall be irrevocable until all such indebtedness is paid, and after the issuance of such Bonds no further action by said Port Authority shall be necessary to authorize the extensions, assessments and collection of such tax. That the Secretary of said Port Authority shall forthwith furnish a certified copy of such levy to the County Auditor of Ramsey County, Minnesota, the county in which said Port Authority and said City are located, together with full information regarding the Bonds of said Port Authority for which the tax is levied and such County Auditor shall extend and assess the tax so levied, and shall do so annually until the principal and interest have been paid in full. That any surplus resulting from the excess levy therein provided shall be transferred to a sinking fund after the principal and interest for which the tax was levied and collected has been paid; provided, that said Port Authority shall, on or before October 15 in any year, by appropriate action cause its Secretary to certify to the said County Auditor the amount on hand and available in its own treasury from earnings or other income, including the amount in the sinking fund, which it will use to pay the principal and interest or both on each specified series of the Bonds and the County Auditor shall reduce the levy for that year herein provided for by that amount. That the amount of funds so acquired shall be set aside by said Port Authority and be used for no other purpose than for the repayment of the principal and interest on such Bonds. That all such taxes being authorized to be levied under Section 469.060, as amended, pursuant thereto shall be collected and remitted to the Port Authority by the County Treasurer in accordance with the provisions of law governing the collection of other taxes and shall be used solely for the payment of such Bonds when due.

Section 5

That said Port Authority shall provide for the exercise of the authority hereby granted for its issuance and sale of the Bonds, in one or more series of tax-exempt or taxable bonds, in an original aggregate principal amount of \$10,000,000 for the aforesaid purposes, and the pledge of the full faith, credit and resources of said City of Saint Paul, as security for the payment of the same, by its appropriate resolution, and without further action of the City Council of the City of Saint Paul. That in each such instance said Port Authority shall make due compliance with all applicable requirements for this Ordinance, the Act, the Municipal Debt Act, and all other applicable laws.

Section 6

That this ordinance shall take effect and be in force 45 days after the passage, approval and publication.