



## Legislation Text

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**File #:** RES 19-1851, **Version:** 1

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Consenting to the issuance of up to \$5,500,000 of General Obligation Refunding Bonds by the Port Authority of the City of Saint Paul.

WHEREAS, in accordance with the provisions of Minnesota Statutes, Sections 469.048 to 469.068, Section 469.084 and Chapter 475, as amended (together, the "Act"), the Port Authority of the City of Saint Paul, Minnesota (the "Port Authority") is permitted upon authorization by the City Council of the City of Saint Paul, Minnesota (the "City") to issue tax-exempt or taxable bonds that are general obligation bonds of the City, including bonds to refund, on a current basis or an advance refunding basis; and

WHEREAS, the Port Authority is proposing to issue one or more series of general obligation refunding bonds in an original aggregate amount not to exceed \$5,500,000 (the "Series 2019-3 Bonds") whereby the Port Authority, with the consent of the City, levies a tax and pledges the full faith and credit and unlimited taxing power of the City in order to: (i) current refund the 2021-2027 maturities of the Port Authority's General Obligation Bonds, Series 2009-15 (the "Series 2009-15 Bonds"), issued in the original aggregate principal amount of \$6,110,000, (ii) advance refund the 2021-2030 maturities of the Port Authority's Tax-Exempt General Obligation Bonds, Series 2009-16 (the "Series 2009-16 Bonds" and together with the Series 2009-15 Bonds, the "Prior Bonds"), issued in the original aggregate principal amount of \$2,055,000, and (iii) pay costs of issuance of the Series 2019-3 Bonds; and

WHEREAS, the proceeds of the Prior Bonds financed a portion of the cost of the purchase and redevelopment of 46 acres of land in the City, now known as the Beacon Bluff Industrial Park; and

WHEREAS, by an Ordinance No. 08-1082 adopted by the City Council on October 28, 2008, and approved by the Mayor (the "Ordinance"), the City, among other things, pledged the full, faith and credit and unlimited taxing power of the City to the Prior Bonds; and

WHEREAS, by a resolution adopted by the Board of Commissions of the Port Authority on October 22, 2019 (the "Port Authority Resolution"), the Port Authority requested that this resolution be considered by the City Council of the City (this "Resolution"), that, among other things, (i) consents to the issuance of the Series 2019-3 Bonds by the Port Authority, and (ii) confirms the Ordinance and the general obligation and full, faith and credit pledge of the City to the Series 2019-3 Bonds for the purposes described above in this Resolution; and

WHEREAS, the Port Authority desires to issue and sell, with the advice of PFM Financial Advisors LLC (formerly known as Public Financial Management, Inc.) (the "Municipal Advisor"), the Series 2019-3 Bonds which will be designated as Taxable General Obligation Refunding Bonds, Series 2019-3 or such other designation as determined by the Port Authority; and

WHEREAS, the Port Authority reserves the right to not issue the Series 2019-3 Bonds or refund the Series 2009-15 Bonds or the Series 2009-16 Bonds if the sale of the Series 2019-3 Bonds will not achieve sufficient debt service savings; and

WHEREAS, pursuant to this Resolution, a pricing committee will be named, described of the persons named herein, to determine certain terms of the Series 2019-3 Bonds as hereinafter described.

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

Section 1. That subject to, and in accordance with, the applicable provisions, terms and conditions of the Port Authority Resolution and those contained in the Act and in accordance with Laws of Minnesota 1976, Chapter 234, the City hereby consents to the issuance and sale of Series 2019-3 Bonds by the Port Authority in an original aggregate principal amount not to exceed \$5,500,000 solely for refunding the Prior Bonds and the payment of costs of issuance of the Series 2019-3 Bonds.

Section 2. The Port Authority is hereby authorized and directed to establish the date, denomination, place of payment, form and details of the Series 2019-3 Bonds, provided that: the Series 2019-3 Bonds shall be issued and sold by the Port Authority as taxable or tax-exempt bonds, in one or more series, in the manner provided and allowed by law; the Series 2019-3 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 Series 2019-3 Bonds then being issued which is determined to be the most favorable by a Pricing Committee comprised of the Chief Financial Officer of the Port Authority or their designee, the City's Debt Manager or the City's Treasury Analyst as such designee, and a representative of the Municipal Advisor (the "Pricing Committee"), on the basis of bids received by the Port Authority. The proceeds from the issuance and sale of the Series 2019-3 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 the refunding of the Prior Bonds, and for all other purposes authorized by the Act. The Series 2019-3 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 Series 2019-3 Bonds the previous pledge of the City's full, faith and credit and unlimited taxing power to the Prior Bonds under the Ordinance is hereby reconfirmed and the Port Authority is hereby authorized to pledge the full faith, credit and unlimited taxing power of the City to the Series 2019-3 Bonds.

Section 4. The City hereby agrees that it will take no action that would adversely affect the ability of the Port Authority to levy for the payment of the Series 2019-3 Bonds as required under the terms of the Act, and that the Port Authority shall 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 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. 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 the Port Authority and the City are located, together with full information regarding the Series 2019-3 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.

Section 5. That this Resolution shall take effect as of the date of passage and approval.