



## Legislation Text

**File #:** RES 20-1419, **Version:** 1

Resolution authorizing the issuance and sale of conduit revenue refunding bonds of the HRA and the City of Minneapolis on behalf of Children's Health Care and the Execution of Documents, District 9, Ward 2 WHEREAS, this Board of Commissioners (the "Board"), has received a proposal from Children's Health Care, d/b/a Children's Hospitals and Clinics of Minnesota (the "Corporation"), that the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA"), acting jointly with the City of Minneapolis (the "City" and together with the HRA, the "Joint Issuer"), issue its revenue bonds (the "Bonds") under Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act"), in one or more series, for the purposes of financing (a) a portion of the costs of refunding all or a portion of the Joint Issuer's outstanding Variable Rate Revenue Bonds (Children's Hospitals and Clinics of Minnesota), Series 2007A and (b) certain costs of issuance of the Bonds (together, the "Refunding"); and

WHEREAS, in connection with the issuance of the Bonds, the City and the HRA will enter into a Joint Powers Agreement (the "Joint Powers Agreement") pursuant to Minnesota Statutes, Section 471.59, a draft of which is on file with the Executive Director of the HRA and which has been reviewed to the extent deemed necessary.

WHEREAS, the Bonds will be purchased from the Joint Issuer by Old National Bank (the "Purchaser") at a price equal to the principal amount thereof.

WHEREAS, the HRA, the City, the Corporation and the Purchaser of the Bonds have agreed upon sufficient details of the proposed revenue bonds to enable the HRA to adopt this resolution (the "Resolution") on this date.

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. Proposal. The Board has received a proposal from the Corporation that the HRA and the City undertake to jointly finance the Refunding pursuant to the Act and the Joint Powers Agreement through the issuance by the HRA and the City of the Bonds.
2. Refunding. The Bonds shall be issued to finance the Refunding.
3. Structure. Pursuant to a Loan Agreement for each series of Bonds (whether one or more, a "Loan Agreement"), to be entered into between the City, the HRA and the Corporation, drafts of which are on file with the HRA Executive Director, the Corporation will issue to the Joint Issuer a Master Note (whether one or more, a "Note"), a form of which is set forth in the Master Trust Indenture dated as of September 1, 1995, by and among the Corporation and U.S. Bank National Association, as master trustee (the "Master Trustee"), as supplemented by one or more Supplemental Master Indentures (whether one or more, a "Supplemental Master Indenture") by and between the Corporation and the Master Trustee (as supplemented, the "Master Trust Indenture"). Under the Note with respect to each series of Bonds, the Corporation will unconditionally agree to repay the Loan made by the Joint Issuer under the Loan Agreement with respect to such series of Bonds in specified amounts and at specified times sufficient to make the necessary payments of principal of, premium, if any, and interest on the Bonds of such series, when due. In addition, the Loan Agreement with respect to such series of Bonds contains provisions relating to the payment by the Corporation of administrative costs of the Bond Trustee (as hereinafter defined), the administrative fee of the City and of the HRA with respect to such series of Bonds, indemnification, insurance and other agreements and covenants

which are required by the Act or which are permitted by the Act and which the Joint Issuer and the Corporation deem necessary or desirable for the sale of such Bonds.

Pursuant to a Trust Indenture for each series of Bonds (whether one or more, the "Bond Indenture") to be entered into between the City, the HRA and U.S. Bank National Association, as Trustee (the "Bond Trustee"), drafts of which are on file with the HRA Executive Director, the Joint Issuer assigns and pledges all of its right, title and interest in the Loan Agreement with respect to such Bonds (other than the rights specifically retained by the Joint Issuer including, but not limited to, indemnification and administrative fees and expenses), the Note with respect to such series of Bonds, the Master Indenture and the Supplemental Indenture to the Bond Trustee. In addition, the Bond Indenture for each series of Bonds, among other things, sets the interest rates, maturity dates and redemption provisions for such series of Bonds, establishes the various funds and accounts for the deposit and transfer of money and contains other provisions which are required by the Act or which are permitted by the Act and which the Joint Issuer and the Corporation deem necessary or desirable in connection with the sale of such series of Bonds.

4. Forms of Documents Submitted. Pursuant to the approval of this Board, forms of the following documents in substantially final form are on file with the HRA Executive Director:

- (a) the Loan Agreement;
- (b) the Notes (not to be executed by the HRA or the City);
- (c) the Joint Powers Agreement;
- (d) the Supplemental Indenture (not to be executed by the HRA or the City) and
- (e) the Bond Indenture.

5. Findings. It is hereby found, determined and declared that:

- (a) the Refunding will further the policies of the Act;
- (b) the Refunding and the effect thereof will promote the public welfare by providing for the continuation of the health care operations of the Corporation in the Cities of Minneapolis and Saint Paul;
- (c) the Act authorizes the issuance and sale of the Bonds, the execution and delivery by the HRA of the Joint Powers Agreement, the Loan Agreement, the Bond Indenture (collectively the "Bond Documents"), the performance of all covenants and agreements of the HRA contained in the Bond Documents and the performance of all other acts and things required under the constitution and laws of the State of Minnesota to make the Bond Documents valid and binding obligations of the HRA in accordance with their terms;
- (d) it is desirable that the Bonds be issued by the Joint Issuer upon the terms set forth in the Bond Indenture;
- (e) the payments under the Loan Agreement and Note are fixed to produce revenue sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Bonds issued under the Bond Indenture when due, and the Loan Agreement and Bond Indenture also provide that the Corporation is required to pay all expenses of the operation and maintenance of the facilities to be refinanced by the Bonds, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the premises of said facilities and payable during the term of the Loan Agreement and Bond Indenture; and;

(f) under the provisions of the Act, and as provided in the Loan Agreement and Bond Indenture, the Bonds are not to be payable from or charged upon any funds other than the revenue pledged to the payment thereof; the HRA and the City are not subject to any liability thereon; no holder of any Bond shall ever have the right to compel any exercise by the HRA or the City of its or their taxing powers to pay any of the Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the City or the HRA except the interests of the HRA and the City in the Loan Agreement and the Note which will be assigned to the Bond Trustee under the Bond Indenture; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA or the City except the interests of the HRA and the City in the Loan Agreement and the Note which will be assigned to the Bond Trustee under the Bond Indenture; the Bonds shall recite that the Bonds do not constitute or give rise to a pecuniary liability or moral obligation of the HRA, the City, the City of Saint Paul, the State of Minnesota or its political subdivisions, and that the Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and that the Bonds shall not constitute a debt of the HRA or the City within the meaning of any constitutional or statutory limitation.

6. Approval of Forms; Execution. Subject to the approval of counsel to the HRA, and the provisions of paragraphs 8 and 10 hereof, the forms of the Bond Documents and exhibits thereto and all other documents listed in paragraph 5 hereof are approved substantially in the form submitted and hereby made a part of this Resolution. Subject to the provisions of paragraph 8 hereof, the Bond Documents, in substantially the forms submitted, are directed to be executed in the name and on behalf of the HRA by the Chair or Commissioner, Executive Director and Director, Office of Financial Services (the "Officials"). Any other HRA documents and certificates necessary to the transaction described above shall be executed by the appropriate HRA officers. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed and recorded as provided herein and in the Loan Agreement and the Bond Indenture.

7. Issuance; Acceptance of Offer. The HRA, jointly with the City, shall proceed forthwith to issue the Bonds, in the form and upon the terms set forth in the Bond Indenture and this Resolution. The Bonds shall be issued as revenue bonds under the Act in one or more series, in an aggregate principal amount not to exceed \$85,500,000, shall be payable or prepayable at such time or times, shall bear interest at such rate or rates, shall be purchased by the Purchaser at such price and shall be subject to such other terms and conditions as the officers of the HRA, the City, the Corporation and the Purchaser shall agree to. The HRA hereby authorizes the issuance of the Bonds, provided that the Bonds mature no later than August 15, 2037 and provided that no initial interest rate exceeds 3.00% per annum. The Officials are hereby authorized and directed, in conjunction with the appropriate officers of the HRA, to prepare and execute the Bonds as prescribed in the Bond Indenture and to deliver them to the Bond Trustee for authentication and delivery to the Purchaser.

8. Records and Certificates. The Officials and other officers of the HRA are authorized and directed to prepare and furnish to the Purchaser certified copies of all proceedings and records of the HRA relating to the Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the HRA as to the truth of all statements contained therein.

9. Changes in Forms Approved; Absent and Disabled Officers. The approval hereby given to the various documents referred to above includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by counsel to the HRA and by the Officials authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said Officials are hereby authorized to approve said changes on behalf of the HRA. The execution of any instrument by the appropriate

officer or officers of the HRA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Officials, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of counsel to the HRA, may act on their behalf.

10. Future Amendments. The authority to approve, execute and deliver future amendments to financing documents entered into by the HRA in connection with the issuance of the Bonds and consents required under such financing documents is hereby delegated to the Officials, subject to the following conditions: (a) such amendments or consents do not require the consent of the holders of the Bonds; (b) such amendments or consents do not materially adversely affect the interests of the HRA; (c) such amendments or consents do not contravene or violate any policy of the HRA, and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Officials, shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of any Official, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City of St. Paul authorized to act in said Official's place and stead.

11. Headings; Terms. Paragraph headings in this Resolution are for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof. Capitalized terms used but not defined herein shall have the meanings given them in the Bond Indenture and Loan Agreement.