



## Legislation Text

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**File #:** Ord 21-7, **Version:** 1

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Amending and replacing ordinance CF10-779 and authorizing the issuance of general obligation library refunding bonds of the Public Library Agency in order to achieve debt service savings.

WHEREAS, under the provisions of Laws of Minnesota 2002, Chapter 390, Sections 36 through 38 (the "Library Bonds Act") and Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act" and together with the Series 2021 Library Refunding Bonds Act, the "Act"), the Saint Paul Public Library Agency (the "Library Agency") is authorized to issue general obligation bonds that are payable from the resources of the Library Agency and backed by the full faith, credit and taxing power of the City of Saint Paul (the "City") and such Library Agency bonds are a general obligation of the City; and

WHEREAS, bonds issued by the Library Agency under the terms of the Act must not be included in the net debt of the City and must not be included in a per capita limit on taxing or spending in the city charter of the City; and

WHEREAS, the Act gives the Library Agency the power to issue bonds in the principal amount authorized by the City Council of the City by ordinance and the City Council set the amount form and interest on such Library Agency bonds; and

WHEREAS, notwithstanding any city charter provision or any general or special law to the contrary, bonds issued by the Library Agency may be issued and sold without submission of the question to the electors of the City, provided that the ordinance of the City Council authorizing issuance of bonds by the Library Agency is subject to provisions in the City Charter pertaining to the procedure for referendum on ordinances enacted by the City Council of the City; and

WHEREAS, on October 1, 2010, the Library Agency previously issued its Taxable General Obligation Library Bonds (Recovery Zone Economic Development Bonds - Direct Pay) Series 2010H (the "Series 2010H Bonds"), in the original aggregate principal amount of \$3,700,000; and

WHEREAS, the Series 2010H Bonds were authorized to be issued by an ordinance of the City (CF10-779) adopted by the City Council on August 11, 2010 and published as required under the City Charter on August 16, 2010 (the "2010H Ordinance") and no petition opposing the 2010H Ordinance was received; and

WHEREAS, the proceeds of the Series 2010H Bonds were used by the Library Agency to fund a cost of the construction of a library facility at the intersection of Maryland Avenue East and Payne Avenue in the City that is part of an approximately 37,000 square foot multi-use joint library, community center known as the Arlington Hills Community Center; and

WHEREAS, but for the election of the Library Agency and the City to issue the Series 2010H Bonds as taxable recovery zone economic development bonds, the Series 2010H Bonds would have qualified to be issued as tax-exempt bonds and as such may be currently refunded with the proceeds of tax-exempt refunding bonds to be issued by the Library Agency; and

WHEREAS, \$3,700,000 in principal amount of the Series 2010H Bonds remain outstanding and the Library Agency proposes to issue its General Obligation Library Refunding Bonds (the "Series 2021 Library Refunding Bonds") in order to (i) refund on a current basis the outstanding Series 2010H Bonds, and (ii) pay

costs of issuance of the Series 2021 Library Refunding Bonds; and

WHEREAS, the Series 2021 Refunding Bonds will be general obligations of the City and will be backed by the full faith, credit and taxing power of the City; and

WHEREAS, this Ordinance amends and replaces the 2010H Ordinance in its entirety.

NOW, THEREFORE, the Council of the City of Saint Paul does ordain as follows:

1. Authorized Amount. The Library Agency is hereby authorized to issue the Series 2021 Library Refunding Bonds in the original aggregate principal not to exceed \$4,000,000, the precise amount of which shall be determined by a pricing committee consisting of the Director, Office of Financial Services or his designee, the City Treasurer, and a representative of Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor") (the "Pricing Committee"). The Series 2021 Library Refunding Bonds shall be issued in order to (i) current refund the outstanding Series 2010H Bonds and (ii) pay costs of issuance of the Series 2021 Library Refunding Bonds.

2. Amount; Form; Interest. The interest rates, maturity dates, amortization schedule, and original principal amount of the Series 2021 Library Refunding Bonds shall be determined on the date of sale of the Series 2021 Library Refunding Bonds and approved by the governing body of the Library Agency on such date and the City Council after the sale of the Series 2021 Library Refunding Bonds but prior to the issuance thereof.

3. Propriety. The issuance of the Series 2021 Library Refunding Bonds by the Library Agency is proper in this case, and in the estimated original aggregate principal amount not to exceed \$4,000,000, the precise amount of which shall be determined by the Director, Office of Financial Services or the City Treasurer or their respective designees on the date of sale of the Series 2021 Library Refunding Bonds.

4. City's Full Faith, Credit and Resources. The City Council hereby authorizes the pledge of the full faith, credit and taxing power of the City to the payment of the Series 2021 Library Refunding Bonds.

5. Tax Levy. The City shall pay the principal amount of and interest due on the Series 2021 Library Refunding Bonds from (i) ad valorem property taxes levied pursuant to the Series 2021 Library Refunding Bonds Act, or (ii) Library Agency income from any source. The property taxes shall be levied by the City, or other income pledged, in a resolution of the City Council adopted after the sale of the Series 2021 Library Refunding Bonds but prior to the issuance thereof.

6. Effective Date. This ordinance shall become effective forty-five (45) days after passage and approval by the City Council and publication once in the official newspaper of the City.

7. Referendum. This ordinance is subject to provisions of the City Charter pertaining to the procedure for referendum on ordinances enacted by the City Council. The petition for referendum must be filed within forty-five (45) days after the publication of this ordinance in the official newspaper of the City.