



Legislation Text

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

WHEREAS, the City of Saint Paul (the "City") has requested that the Port Authority of the City of Saint Paul (the "Port Authority") work with the City on the City's program to remove and replace approximately 13,000 ash trees that have been adversely affected by the Emerald Ash Borer ("EAB") located on City boulevards, public right of way, and other City land (the "EAB Project"); and

WHEREAS, the EAB infestation in the City's ash trees and removal of such infected trees has caused blight and marginalization on City boulevards, public right of way, and other City land within the meaning of Minnesota Statutes, Section 469.048, Subd. 5; and

WHEREAS, the City has requested that the Port Authority issue up to \$18,000,000 of general obligation bonds (the "EAB Bonds") solely for use to fund the costs of the EAB Project; and

WHEREAS, the EAB Bonds may be issued in one or more tax-exempt and/or taxable series, with the pledge of the full faith, credit and resources of the City to the payment of such EAB Bonds all pursuant to Minnesota Statutes, Section 469.060, as amended; and

WHEREAS, the proceeds of the EAB Bonds will be used by the Port Authority to pay for or reimburse the City or the Port Authority for the costs of the EAB Project which include but may not be limited to: the costs of the design and implementation of the EAB Project; the removal of trees that have been adversely affected by EAB; the acquisition and installation of trees; the acquisition of equipment for the EAB Project; other related EAB Project costs intended to remedy the blight and marginalization identified above; and pay for the costs of issuance of the EAB Bonds; and

WHEREAS, the City Council of the City, being duly advised in the premises, finds and determines that the City's boulevards, public right of way, and other City land affected by the EAB infestation to be rehabilitated by the EAB 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 EAB Bonds in an aggregate principal amount not to exceed \$18,000,000 solely to fund the EAB Project and to defray the cost and expense necessary to be incurred by said Port Authority for the EAB Project, 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 EAB Bonds; to prescribe the manner for establishing the amount, maturity schedule and rates of interest to be borne by the EAB Bonds; to authorize the Port Authority to establish the date, denomination, place of payment and other details of the EAB Bonds, including the form of the EAB 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 EAB 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 as follows:

1. Authorization. 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, for the issuance and sale of the EAB Bonds in an original aggregate principal amount not to exceed \$18,000,000 in one or more series solely for funding the EAB Project and the use of the proceeds of such EAB Bonds, for the defrayment of the cost and expense necessarily to be incurred by it for the EAB Project and for all other purposes authorized by the authority of the Act and the Municipal Debt Act.

2. Amount; Form; and Interest. The interest rates, maturity dates, amortization schedule, and original principal amount of each series of the EAB Bonds shall be determined on the date of sale of each issuance of the EAB Bonds as approved by the governing body of the Port Authority. That the Port Authority is hereby authorized and directed to establish the date, denomination, place of payment, form and details of the EAB Bonds, and may be issued 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 EAB 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 EAB 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 the Port Authority's financial advisor (currently PFM Financial Advisors, LLC who is also an approved municipal advisor for the City) (collectively, the "Pricing Committee"), on the basis of bids received by the Port Authority; and the proceeds from the issuance and sale of the EAB 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 or reimbursement for the costs and expenses necessarily to be incurred in connection with the EAB Project and for all other purposes authorized by the Act. The EAB 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.

3. City General Obligation. As security for the prompt and faithful payment of both principal and interest of said EAB Bonds, the Port Authority is hereby authorized to pledge the full faith, credit and resources of the City of Saint Paul, and such EAB 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 a tax levy of the City as provided therefore and authorized by the Act and the Municipal Debt Act.

4. Tax Levy. 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 EAB Bonds when and as such principal and interest mature and, after such EAB Bonds have been delivered to the purchasers, such tax shall be irrevocable until all such indebtedness is paid, and after the issuance of such EAB 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 EAB 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 shall cause its Secretary to certify to 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 EAB Bonds and the County Auditor shall reduce the levy for that year as 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 EAB 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 EAB Bonds when due.

5. No Further Council Action Required. That said Port Authority shall provide for the exercise of the authority hereby granted for its issuance and sale of the EAB Bonds for the aforesaid purposes, and the pledge of the full faith, credit and resources of the City, as security for the payment of the same, by its appropriate resolution, and without further action of the City Council of the City. 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.

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.