Legislation Text

File #: RES 25-1556, **Version:** 1

Approving the proposed issuance of conduit charter school lease revenue notes by the Port Authority (the "Port Authority") for the Metro Deaf School Project located at 1125 Energy Park Drive (District 10, Ward 4).

(a) Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Act") confers upon each housing and redevelopment authority of the State of Minnesota, including the Port Authority, the authority to issue revenue bonds to finance, in whole or in part, the costs of the acquisition, construction, improvement, or extension of revenue producing enterprises, whether or not operated for profit; and

(b) The Port Authority has been designated, to exercise, on behalf of the City of Saint Paul, Minnesota (the "City") the powers conferred by Minnesota Statutes, 469.152 through 469.1655, as amended; and

(c) The Port Authority has received a proposal from 1House2Hands, Inc., a Minnesota nonprofit corporation and 501(c)(3) organization (the "Borrower"), to finance a portion of the project hereinafter described, pursuant to the Act, through the issuance of one or more series of revenue notes, in an estimated aggregate principal amount not to exceed $5,000,000 (the "2025 PASP Note"); and

(d) The project to be financed by the 2025 PASP Note, along with one or more series of revenue bonds to be issued by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA Bonds") is: (i) the refunding or optional redemption of a portion of the HRA's Charter School Lease Revenue Bonds (Metro Deaf School Project), Series 2018A and Taxable Charter School Lease Revenue Bonds (Metro Deaf School Project), Series 2018B; (ii) financing costs related to improvements to the school facility located at 1125 Energy Park Drive (the "School Facility") in the City of Saint Paul, Minnesota (the "City"); (iii) paying capitalized interest on the 2025 PASP Note and the HRA Bonds; (iv) if necessary, funding a deposit to the debt service reserve fund; and (v) paying the costs of issuing the 2025 PASP Note and the HRA Bonds; and

(e) The School Facility is owned by the Borrower and currently leased to and operated by, and will continue to be leased to and operated by, Metro Deaf School, a Minnesota nonprofit corporation and public charter school authorized by the University of St. Thomas (the "Charter School");

(f) The proposal calls for the Port Authority to loan the proceeds realized upon the issuance and delivery of the 2025 PASP Note to the Borrower pursuant to a loan agreement wherein the Borrower will be obligated to pay all costs and expenses of the Port Authority and the City incident to the issuance of the 2025 PASP Note; and

(g) The City desires to facilitate the Project; and

(h) Pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder, a notice of public hearing in the required form was published in a newspaper of general circulation in advance of the date of such public hearing; and

(i) A public hearing on the Project was held by the Port Authority, on September 23, 2025, following duly published notice in the *Pioneer Press*, a newspaper of general circulation in the City on September 13, 2025, with respect to the required public hearing under Section 147(f) of the Code; and

(j) During said public hearing a reasonable opportunity was provided for interested individuals to

express their views, both orally and in writing;

(k) No public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

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

1. The City hereby approves the issuance of conduit charter school lease revenue notes described above, to be undertaken by the Borrower pursuant to the Borrower's specifications, and approves the Project, pursuant to the Act.

2. The publication of the notice of public hearing by Port Authority staff prior to the public hearing is hereby ratified.

3. The Project and the issuance of the 2025 PASP Note is hereby approved by the City subject to final approval by the Borrower and the purchaser of the 2025 PASP Note as to ultimate details of the financing of the Project. This approval is given pursuant to the requirement set forth in Section 147(f) of the Code and the Act and is not offered for any other purposes, including, but not limited to, the tax consequences of this financing arrangement.

4. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City or the Port Authority in connection with the financing of the Project whether or not the Project is carried to completion and whether or not approved by Port Authority will be paid by the Borrower.

5. Ballard Spahr LLP, as bond counsel, and such financial institutions as may be selected by Borrower, with the consent of the Port Authority, are authorized to assist in the preparation and review of necessary documents relating to the Project and to consult with the Saint Paul City Attorney, the Borrower and the purchaser of the 2025 PASP Note as to the maturities, interest rates and other terms and provisions of the 2025 PASP Note and as to the covenants and other provisions of the necessary documents and submit such documents to the Port Authority for final approval.

6. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project. The 2025 PASP Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City or the Port Authority except the revenue and proceeds pledged to the payment thereof, nor shall the City or the Port Authority be subject to any liability thereon. The holders of the 2025 PASP Note shall never have the right to compel any exercise of the taxing power of the City or the Port Authority to pay the outstanding principal on the 2025 PASP Note or the interest thereon, or to enforce payment thereon against any property of the City or the Port Authority. The 2025 PASP Note shall recite in substance that the 2025 PASP Note, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment hereof. The 2025 PASP Note shall not constitute a debt of the City or the Port Authority within the meaning of any constitutional, charter, or statutory limitation.

7. The City Council hereby authorizes the appropriate City Officials or their proper designees to execute agreements and such other documents necessary to carry out this Resolution. The City may execute documents, certificates, and instruments relating to the issuance of the 2025 PASP Note and the Project by electronic signature. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party).

8. The Port Authority's President, staff and legal counsel are hereby authorized and directed to take all actions necessary to implement this Resolution.

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