



## **Request for MCDA Board of Commissioners Action from the Department of Community Planning & Economic Development - CPED**

Date: April 15, 2014

To: Council Member Lisa Goodman, Community Development and  
Regulatory Services Committee

Referral to: MCDA Board of Commissioners

**Subject:** A Request for Consent to the Refunding of MCDA Bank Qualified Bank  
Direct Tax-exempt Revenue Bonds, Series 2002, by the St. Paul Port  
Authority for the benefit of Friends School of Minnesota

**Recommendation: City Council Recommendation: Adopt the attached Resolution, giving consent to the refunding of MCDA Bank Qualified Bank Direct Tax-exempt Revenue Bonds, Series 2002, by the St. Paul Port Authority for the benefit of the Friends School of Minnesota.**

**MCDA Board Recommendation: Forward this report to the Minneapolis Community Development Agency Board of Commissioners for their approval and adoption of the attached Resolution giving consent to the refunding of MCDA Bank Qualified Bank Direct Tax-exempt Revenue Bonds, Series 2002, by the St. Paul Port Authority for the benefit of the Friends School of Minnesota.**

**Previous Directives: October 2002. Final Approval granted to the issuance of up to \$1.2 million of 501 (c) (3) Bank Qualified Bank Direct Tax-exempt Revenue Bonds for the Friends of Minnesota School.**

Prepared by:	Charles Curtis, CPED, Business Development	673-5069
Approved by:	Charles T. Lutz, Interim Director CPED	_____
	Catherine A. Polasky, Director, Economic Development	_____
Presenters in Committee:	Charles Curtis	

**Reviews**

- Permanent Review Committee (PRC): NA

**Financial Impact**

- Other financial impact: The refunding of the revenue bonds by the St. Paul Port Authority will reduce revenue bond administrative fees by approximately \$2065 a year.

**Community Impact**

- Neighborhood Notification: NA
- City Goals: Consenting to the Refunding is consistent with the City's goal of building strong partnerships with other public entities.
- Sustainability Targets: NA
- Comprehensive Plan: NA
- Zoning Code: NA The school facility is located in St. Paul.
- Living Wage/Business Subsidy Agreement: NA
- Job Linkage: NA
- Other: None

**Supporting Information****Project Location & Description:**

Friends School of Minnesota is a private K-8 school and a 501 (c)(3) nonprofit organization which has been in existence since 1998. The school is located at 1365 Englewood Avenue in St. Paul.

Residents of Minneapolis both work at and attend the school.

In 2002, the City of St. Paul issued in excess of \$10 million of revenue bonds, which prohibited the City from issuing Bank Qualified Bank Direct Tax-exempt Revenue Bonds for the Friends School of Minnesota. As an accommodation to St. Paul, the MCDA agreed, under a Joint Powers Agreement, to issue the bonds for the refinancing of the purchase of the facility.

**Type of Financing:**

Bank Qualified Bank Direct Tax-exempt Revenue Bonds to be issues by the St. Paul Port Authority, not to exceed \$1.4 million, to refund the MCDA Bank Qualified Bank Direct, Series 2002 Tax-exempt Revenue Bonds, to fund an addition to the facility and to pay costs of issuance.

**Present Employment:** NA

**New Employment:** NA

**Assessor's Estimate Annual Tax Increase:** NA

**Affirmative Action Compliance:** NA

**Bond Counsel:**

Stinson Leonard Street

**Underwriter:**

The bonds will be purchased by a bank(s).  
The selection of the bank(s) is currently  
under negotiation.

RESOLUTION  
OF THE  
MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

RESOLUTION CONSENTING TO THE ISSUANCE OF A TAX-EXEMPT REVENUE NOTE BY  
THE PORT AUTHORITY OF THE CITY OF SAINT PAUL

WHEREAS, the Port Authority of the City of Saint Paul (“Port Authority”) has received a request that it issue a tax-exempt revenue note in an aggregate principal amount not to exceed \$1,400,000 (the “Note”) and loan the proceeds of such Note to Friends School of Minnesota, a Minnesota 501(c)(3) corporation (“Friends School”) to refund the Minneapolis Community Development Agency (“MCDA”) Revenue Bond (Friends School of Minnesota Project) Series 2002 (the “Prior Bonds”) still outstanding, to finance an addition to the Friends School’s facility located at 1365 Englewood Avenue in the City of Saint Paul, Minnesota (the “Project”) and to pay costs of issuance of the Note. The Project will be owned by the Friends School and operated as a private school for grades K-8; and

WHEREAS, Minnesota Statutes, Section 469.155, Subd. 12, authorizes the issuance of refunding bonds by an entity other than the original issuer, with the consent of the original issuer. The Port Authority has requested that MCDA consent to the issuance by the Port Authority of the Note that will be used to refund the Prior Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY, AS FOLLOWS:

1. MCDA hereby consents to the issuance of the Note by the Port Authority for the purpose of refunding the Prior Bonds. The adoption of this resolution shall not be deemed, however, to establish a legal obligation on the part of MCDA or the Port Authority to issue or to cause the issuance of the Note. The Note, if issued by the Port Authority, will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of MCDA or the Port Authority. The Note will be payable solely from said revenues and property of Friends School specifically pledged to the payment thereof, and will not constitute a debt or pecuniary liability of MCDA or the Port Authority within the meaning of any constitutional or statutory limitation.

2. The appropriate officers of MCDA are hereby authorized and directed to execute documents and certificates which are reasonably required by the Port Authority or its bond counsel to complete the transaction described herein. The execution of any instrument by the appropriate officer or offices of MCDA shall be conclusive evidence of the approval of such documents in accordance with the terms of this resolution.

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WHEREAS, Minnesota Statutes, Section 469.155, Subd. 12, authorizes the issuance of refunding bonds by an entity other than the original issuer, with the consent of the original issuer, and Minneapolis Code of Ordinances Chapter 422 further requires the consent of the City Council of the City of Minneapolis (the “City”) to such MCDA consent. The Port Authority has requested that the City consent to the issuance by the Port Authority of the Note that will be used to refund the Prior Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS,  
AS FOLLOWS:

1. The City hereby consents to the issuance of the Note by the Port Authority for the purpose of refunding the Prior Bonds. The adoption of this resolution shall not be deemed, however, to establish a legal obligation on the part of the City or the Port Authority to issue or to cause the issuance of the Note. The Note, if issued by the Port Authority, will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City or the Port Authority. The Note will be payable solely from said revenues and property of Friends School specifically pledged to the payment thereof, and will not constitute a debt or pecuniary liability of the City or the Port Authority within the meaning of any constitutional or statutory limitation.

2. The appropriate officers of the City are hereby authorized and directed to execute documents and certificates which are reasonably required by the Port Authority or its bond counsel to complete the transaction described herein. The execution of any instrument by the appropriate officer or offices of the City shall be conclusive evidence of the approval of such documents in accordance with the terms of this resolution.