



**Request for City Council Committee Action
From the Finance Department**

Date: March 8, 2010

To: Ways and Means/Budget Committee

Referral to:

Subject: Advance Refunding of Library Ramp Parking Bonds

Recommendation: The City Council adopt a resolution authorizing the Finance Officer to enter into an Escrow agreement and Financing Agreement with Hennepin County to allow for an advance refunding of the General Obligation Various Purpose Bonds, Series 2002A, which financed the Central Library Parking Ramp.

Previous Directives:

November 2007 – Library Merger Agreement with Hennepin County

Prepared or Submitted by Michael Abeln, Director, Capital & Debt Mgmt, 673-3496

Approved by:

Patrick Born, Chief Financial Officer

Steven Bosacker, City Coordinator

Presenters in Committee: Michael Abeln, Director, Capital & Debt Mgmt, 673-3496

Financial Impact (Check those that apply)

Other financial impact (Explain): Bond refunding for interest savings and restructuring debt in compliance with finance plan

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information (Resolution Attached)

As part of the Library merger agreement between the City of Minneapolis and Hennepin County, entered into in December of 2007, Hennepin County became the owner and operator of the parking ramp beneath the Central Library.

This parking ramp was financed by the issuance of City of Minneapolis bonds as part of the General Obligation Various Purpose Bonds, Series 2002A. Per the merger agreement, Hennepin County is responsible for reimbursing the City of Minneapolis for all principal and interest payments made by the City on these bonds. The bonds in question are callable in whole or in part on December 1, 2010. Hennepin County has requested the City's cooperation to enter into an Escrow Agreement and Financing Agreement to allow for the County to issue advance refunding bonds to be used to call in the remaining bonds on the call date.

Completing this advance refunding transaction is beneficial to both the City of Minneapolis and Hennepin County. The City will be allowed to pay off the bonds on December 1, 2010, and Hennepin County will be able to finance the parking ramp at lower interest rates than currently provided for with the existing City bonds.

The Finance Department recommends passage of the attached resolution providing the Finance Officer with the necessary authority to enter into the Escrow Agreement and Financing Agreement with Hennepin County to be able to complete this advance refunding transaction.