

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

MONDAY, JULY 17, 2017

4115 Ambassador Blvd. NW
ISD #15 Central Service Center (District Office)

5:30 PM

1. Call to Order
2. Roll Call
3. Approve Minutes of January 17, 2017
4. Approval of the Agenda
5. Public Hearings/New Business
 - A. Appointment of Officers
 1. President
 2. Vice President
 3. President Pro Tem
 4. Secretary
 5. Treasurer
 6. Executive Director
 - B. Public Project Lease Revenue Bonds, Series 2012A
 1. Resolution 2017-01 Providing for the Redemption and Prepayment of the Authority's Outstanding Public Project Lease Revenue Bonds, Series 2012A
6. Adjourn

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

JANUARY 17, 2017

1. **Call to Order** The EDA meeting was called to order at 5:03 pm.
2. **Roll Call**
Members present Brenda Pavelich-Beck, Joe Muehlbauer, and Robert Bauer. Also present City Administrator Joe Kohlmann, Community Development Director Kate Thunstrom, and City Clerk Barb Held. Sarah Udvig and Mike Rodger have submitted their names for the EDA Commission but have not been appointed by the City Council as of 5:00 pm this evening.
3. **Approve Minutes of August 29, 2016**
Motion by Muehlbauer second Bauer to approve the August 29, 2016 Economic Development Authority Minutes. Motion carried 3-0.
4. **Adopt Agenda**
Motion by Muehlbauer second Bauer to adopt the January 17, 2017 EDA Agenda. Motion carried 3-0.
5. **Public Hearings/New Business**
 - A. **Appointment of Officers**
 1. President
 2. Vice President
 3. President Pro Tem
 4. Secretary
 5. Treasurer
 6. Executive Director

City Administrator Joe Kohlmann stated two EDA applications are on the City Council agenda this evening for consideration. It was recommended to appoint an interim president or president pro tem this evening and wait for a full commission to complete the appointments of officers.

Motion by Bauer second Pavelich-Beck to appoint Joe Muehlbauer as the interim President Pro-Tem and delay the rest of the appointments until the next EDA meeting. Motion carried 3-0.

B. **LeGen Companies: Senior Health Care Facility-Walker Methodist:**
Request for Consideration of a Business Subsidy –

Community Development Director Kate Thunstrom stated the Business Subsidy and TIF Subsidy Policies were both included in your packet. The City received an application from LeGen Companies for Tax Increment Financing. This type of assistance is defined by State Statute as a Business subsidy and must meet our policy requirements. LeGen has submitted the necessary documentation to meet the Business subsidy application requirements. They have outlined within the application information regarding job creation, wages and estimated sources of funding. Based on the receipt of the application, the Council called for a Public Hearing on February 6, 2017. At that time Northland Securities will provide the necessary information to meet State Statute for the creation of a TIF Housing District.

Discussion was held on the length of the subsidy, job creation, water/sewer connections how and if TIF could affect the residents.

Motion by Muehlbauer second Pavelich-Beck recommending to move the application on to the City Council and to hold a Public Hearing on the TIF Plan during the February 6, 2017 City Council meeting. Motion carried 3-0.

C. Annual Report – Kohlmann presented the 2016 Annual Report. This report will be forwarded on to the City Council.

6. **Accounts Payable - None**

7. **Adjournment**

Motion by Bauer second Pavelich-Beck to adjourn the EDA meeting at 5:22 pm.

Barbara I. Held, City Clerk



**CITY COUNCIL
AGENDA REPORT**
Agenda Item #:
5B

TO: Economic Development Authority
FROM: Joe Kohlmann, Executive Director
SUBJECT: Police/Public Works Building – Refunding
DATE: July 17th, 2017

OVERVIEW:

Pursuant to a resolution adopted by the City Council of the City on July 17, 2017 (the “City Resolution”), the City has determined to exercise its option to prepay the Authority Bonds in order to acquire the Site and the Facilities. Section 8.2 of the Lease requires that the City give notice to the Authority of its intention to exercise its option to prepay the Lease Payments and acquire the Site and the Facilities at least forty-five (45) days in advance of the date of prepayment and purchase. In order to prepay the Lease Payments and acquire the Site and the Facilities from the Authority, the City will issue its General Obligation Capital Improvement Bonds, Series 2017A (the “City Bonds”), in the aggregate principal amount of approximately \$7,005,000. Proceeds of the City Bonds will be used to prepay the Lease Payments and acquire the Site and the Facilities, and the Authority will use the proceeds derived from the sale of the Site and the Facilities to the City to defease, redeem, and prepay the outstanding Authority Bonds.

Recommended Action:
Adopt Resolution 2017-01.

ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF ST. FRANCIS

RESOLUTION NO. 2017-01

**A RESOLUTION PROVIDING FOR THE REDEMPTION AND PREPAYMENT
OF THE AUTHORITY'S OUTSTANDING PUBLIC PROJECT LEASE
REVENUE BONDS, SERIES 2012A**

BE IT RESOLVED By the Board of Commissioners of the Economic Development Authority for the City of St. Francis (the "Authority"), as follows:

Section 1. Recitals.

1.01. Pursuant to a Mortgage and Security Agreement and Trust Indenture, dated as of January 1, 2012 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), the Authority issued its Public Project Lease Revenue Bonds, Series 2012A (the "Authority Bonds"), dated as of January 1, 2012, in the original aggregate principal amount of \$8,200,000. The proceeds of the Authority Bonds were used to finance the construction of a new public safety and public works building (the "Facilities") on certain property (the "Site") located in the City of St. Francis, Minnesota (the "City"). The Authority acquired a leasehold interest in the Site pursuant to a Ground Lease, dated as of January 1, 2012 (the "Ground Lease"), between the City, as lessor, and the Authority, as lessee. The City leases the Facilities from the Authority pursuant to a Lease-Purchase Agreement, dated as of January 1, 2012 (the "Lease"), between the Authority, as lessor, and the City, as lessee. The Authority Bonds are secured by lease payments (the "Lease Payments") from the City to the Authority pursuant to the Lease.

1.02. Section 8.1 of the Lease permits the City to purchase the Site and the Facilities at any time, in accordance with Article V of the Lease. Pursuant to Section 5.5 of the Lease, the City may purchase all or a portion of the Site and the Facilities by depositing funds with the Trustee for deposit in the Bond Fund established under the Indenture and applied to the payment of principal of and interest on the Authority Bonds.

1.03. Pursuant to a resolution adopted by the City Council of the City on July 17, 2017 (the "City Resolution"), the City has determined to exercise its option to prepay the Authority Bonds in order to acquire the Site and the Facilities. Section 8.2 of the Lease requires that the City give notice to the Authority of its intention to exercise its option to prepay the Lease Payments and acquire the Site and the Facilities at least forty-five (45) days in advance of the date of prepayment and purchase. In order to prepay the Lease Payments and acquire the Site and the Facilities from the Authority, the City will issue its General Obligation Capital Improvement Bonds, Series 2017A (the "City Bonds"), in the aggregate principal amount of approximately \$7,005,000. Proceeds of the City Bonds will be used to prepay the Lease Payments and acquire the Site and the Facilities, and the Authority will use the proceeds derived from the sale of the Site and the Facilities to the City to defease, redeem, and prepay the outstanding Authority Bonds.

1.04. The Authority Bonds are currently outstanding in the aggregate principal amount of \$7,075,000 and are callable on February 1, 2019, at a price of par plus accrued interest. Pursuant to the City Resolution, the City has requested that the Authority consent to and call the Authority Bonds for redemption on February 1, 2019 (the "Redemption Date"), in accordance with Section 8.2 of the Lease.

Section 2. Redemption of Authority Bonds.

2.01. It is determined that it is in the best interests of the sound financial management of the Authority and the City that the City issue the City Bonds to defease, redeem, and prepay the outstanding Authority Bonds and thereby acquire the Site and the Facilities from the Authority.

2.02. The Trustee is authorized and directed to mail notice of call for redemption of the Authority Bonds in the form attached hereto as EXHIBIT A to the registered owner of the Authority Bonds to be redeemed at the address shown on the registration books kept by the Trustee.

2.03. Officials of the Authority are authorized and directed to take all actions and execute any documents necessary to carry out redemption of the Authority Bonds, the satisfaction of related documents, and the conveyance of fee title to the Site and the Facilities to the City as of the Redemption Date.

2.04. The Authority authorizes the officials and staff of the City to take all necessary action to cause the defeasance, redemption, and prepayment of the Authority Bonds.

Adopted by the Board of Commissioners of the Economic Development Authority for the City of St. Francis this ____ day of _____, 2017.

By _____
Its President

Attest:

By _____
Its Executive Director

EXHIBIT A

NOTICE OF CALL FOR REDEMPTION

\$8,200,000
ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF ST. FRANCIS
PUBLIC PROJECT LEASE REVENUE BONDS
SERIES 2012A

NOTICE IS HEREBY GIVEN that, by order of the Board of Commissioners of the Economic Development Authority for the City of St. Francis (the "Authority"), there have been called for redemption and prepayment on

February 1, 2019

all outstanding bonds designated as Public Project Lease Revenue Bonds, Series 2012A, dated as of January 1, 2012, issued by the Authority, having stated maturity dates of February 1 in the years 2020 through 2037, both inclusive, totaling \$6,580,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP</u>
2020	\$ 260,000	789462 AH1
2021	265,000	789462 AJ7
2022	275,000	789462 AK4
2023	285,000	789462 AL2
2024	295,000	789462 AM0
2026	620,000	789462 AN8
2028	670,000	789462 AP3
2030	730,000	789462 AQ1
2033	1,230,000	789462 AR9
2037	1,950,000	789462 AS7

The bonds are being called at a price of par plus accrued interest to February 1, 2019, on which date all interest on said bonds will cease to accrue. Holders of the bonds hereby called for redemption are requested to present their bonds for payment at the main office of U.S. Bank National Association, in the City of Saint Paul, Minnesota, on or before February 1, 2019:

U.S. Bank National Association
Corporate Trust Services
111 Fillmore Avenue East
St. Paul, MN 55107

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2009, the paying agent is required to withhold a specified percentage of the principal amount of the redemption price payable to the holder of any bonds subject to redemption and prepayment on the redemption date, unless the paying agent is provided with the Social Security Number or Federal Employer Identification Number of the holder, properly certified. Submission of a fully executed

Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. December 2011), will satisfy the requirements of this paragraph.

Dated: _____.

BY ORDER OF THE BOARD OF
COMMISSIONERS OF THE ECONOMIC
DEVELOPMENT AUTHORITY FOR THE
CITY OF ST. FRANCIS

By /s/ Joe Kohlmann
Executive Director
Economic Development Authority for the
City of St. Francis