



Economic Development Authority
City Hall Council Chambers
Via telephone or other electronic means
5200 – 85th Avenue North

Wednesday, July 14, 2021
6:30 p.m.

SPECIAL MEETING – AGENDA #9

President Lisa Jacobson, Vice President Terry Parks, Treasurer Susan Pha,
Commissioners Boyd Morson, Wynfred Russell and Tonja West-Hafner.
Executive Director Kim Berggren, Assistant Executive Director Jay Stroebel and Secretary Breanne Rothstein

Some members of the Commission will participate in the meeting by electronic means pursuant to Minnesota Statutes, Section 13D.021 rather than in-person at its regular meeting place at City Hall, 5200 85th Avenue North, Brooklyn Park, Minnesota. Members of the public can monitor the meeting by joining it on Zoom at <https://zoom.us/j/97725349568>.

For reasonable accommodations or alternative formats, contact Josephine Thao by calling 763-493-8059 or emailing Josephine.Thao@brooklynpark.org by 6:00 p.m. Para asistencia, 763-493-8059. Yog xav tau kev pab, hu 763-493-8059.

Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

Brooklyn Park 2025 Goals:

- **United Community • Beautiful Places • Thriving Economy**
- **Healthy and Safe People • Increased Equity • Effective, Engaging Government**

I. ORGANIZATIONAL BUSINESS

- 1.1 Call to Order/Roll Call

II. EXECUTIVE SESSION

- 2.1 Consider providing for the redemption of certain outstanding lease revenue bonds, series 2010a and authorizing the execution of related documents
 - 2.1A Resolution

III. ADJOURNMENT

The Brooklyn Park Economic Development Authority's Agenda Packet is posted on the City's website. To access the agenda packet, go to www.brooklynpark.org
The Next Scheduled EDA Meeting is July 19, 2021

City of Brooklyn Park Request for EDA Action

Agenda Item:	2.1	Meeting Date:	July 14, 2021
Agenda Section:	General Action Items	Prepared By:	Sarah Abe, Development Project Coordinator
Resolution:	X	Presented By:	Kim Berggren, Community Development Director
Attachments:	1		
Item:	CONSIDER PROVIDING FOR THE REDEMPTION OF CERTAIN OUTSTANDING LEASE REVENUE BONDS, SERIES 2010A AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS		

Executive Director's Proposed Action:

MOTION _____, SECOND _____, TO WAIVE THE READING AND ADOPT RESOLUTION #2021-___ PROVIDING FOR THE REDEMPTION OF CERTAIN OUTSTANDING LEASE REVENUE BONDS, SERIES 2010A AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS.

Overview:

The Brooklyn Park Economic Development Authority (EDA) previously issued its Lease Revenue Bonds, Series 2010A (the "Prior EDA Bonds"), dated September 16, 2010, in amount of \$2,245,000 pursuant to a resolution adopted by the Board of the EDA on August 23, 2010. The proceeds of the EDA Bonds were used to finance the construction, installation, and equipping of a geothermal heating system (the "Geothermal Improvements") constructed adjacent to the Brooklyn Park Community Activity Center (CAC) to supplement and provide cost efficiency for the heating and mechanical improvements to the existing ice arenas located in the CAC (the "Ice Arenas").

At its May 24, 2021 meeting, the City Council adopted a resolution (the "City Resolution") deciding to issue its General Obligation Bonds, Series 2021A (the "Series 2021A Bonds"), in the proposed aggregate principal amount of \$9,900,000, and use a portion of the proceeds to refund the Series 2010A Bonds, which are currently outstanding in the principal amount of \$980,000, and thereby purchase the Geothermal Improvements from the EDA. The Series 2010A Bonds are subject to optional redemption on any day at a price of par, plus accrued interest. Pursuant to the City Resolution, the City requests that the EDA consent to the issuance of the Series 2021A Bonds, a portion of which the City will use to refund the EDA Bonds, and call the EDA Bonds for redemption on August 3, 2021 (the "Redemption Date"). At its June 28, 2021 meeting, the City Council adopted a resolution awarding the sale of the Series 2021A Bonds, in the aggregate principal amount of \$9,200,000 (the "Award Resolution"), following the public offering of thereof and receipt of bids to: (i) finance certain park improvements; and (ii) refinance the Prior EDA Bonds as well as certain prior obligations of the City (collectively, the "Refunded Bonds") that financed heating and mechanical improvements within the Ice Arenas. The Series 2021A Bonds are proposed to be issued by the City on July 15, 2021.

As provided in the Award Resolution, the portion of the Series 2021A Bonds being used to redeem and prepay the Refunded Bonds are being issued as tax exempt, general obligation tax abatement bonds. This refunding is being considered purely for interest in the cost savings.

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues:

Attachments:

2.1A RESOLUTION

BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2021-___

PROVIDING FOR THE REDEMPTION OF CERTAIN OUTSTANDING LEASE
REVENUE BONDS, SERIES 2010A AND AUTHORIZING THE EXECUTION OF
RELATED DOCUMENTS

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Brooklyn Park Economic Development Authority (the "EDA") as follows:

1. Background; Findings.

1.01 The EDA previously issued its Lease Revenue Bonds, Series 2010A, dated September 16, 2010 (the "Series 2010A Bonds" or "EDA Bonds"), in the original aggregate principal amount of \$2,245,000 pursuant to a resolution adopted by the Board of the EDA on August 23, 2010, as amended (the "Bond Resolution"). The proceeds of the Series 2010A Bonds were used to finance the construction, installation, and equipping of a geothermal heating system constructed adjacent to the Brooklyn Park Community Activity Center (the "Community Activity Center") to supplement and provide cost efficiency for the heating and mechanical improvements (the "Geothermal Improvements" or "Improvements") within the existing ice arenas located in the Community Activity Center. The EDA acquired a leasehold interest in the real property on which the Geothermal Improvements were constructed (the "Site") pursuant to a Ground Lease, dated as of September 1, 2010 (the "Ground Lease"), between the City of Brooklyn Park, Minnesota (the "City"), as lessor, and the EDA, as lessee. The EDA Bonds are secured by lease payments (the "Lease Payments") from the City to the EDA pursuant to a Lease-Purchase Agreement, dated as of September 1, 2010 (the "Lease"), between the Authority, as lessor, and the City, as lessee. Pursuant to Article X of the Lease, the City has determined to exercise its option to terminate the Lease and purchase the Geothermal Improvements from the EDA by paying Lease Payments in an amount sufficient to redeem or defease all of the outstanding EDA Bonds.

1.02 Pursuant to resolutions adopted by the City Council of the City on May 24, 2021 and a resolution to be adopted by the City Council of the City on June 28, 2021 (collectively, the "City Resolution"), the City has determined to issue its General Obligation Bonds, Series 2021A (the "Series 2021A Bonds"), in the proposed aggregate principal amount of \$9,900,000, and use a portion of the proceeds of such bonds to acquire the Improvements by redeeming the EDA's Series 2010A Bonds, which are currently outstanding in the principal amount of \$980,000. The Series 2010A Bonds are subject to optional redemption on any day at a price of par, plus accrued interest. Pursuant to the City Resolution, the City requests that the EDA consent to the issuance of the Series 2021A Bonds, a portion of which the City will use to refund the EDA Bonds, and call the EDA Bonds for redemption on August 3, 2021 (the "Redemption Date").

1.03 Pursuant to Article X of the Lease, the City has the option to purchase the EDA's interest in the Improvements on any semiannual Payment Date (as defined in the Lease, each February 1 and August 1, through and including February 1, 2027) by paying Lease Payments (as defined in the Lease) in an amount sufficient to redeem or defease all of the outstanding EDA Bonds in accordance with the redemption and discharge provisions of the Bond Resolution. Under such provisions of the Bond Resolution, upon deposit with U.S. Bank National Association (the "Paying Agent") of cash sufficient for the payment or redemption of EDA Bonds, the EDA Bonds shall be deemed to be paid and discharged. Upon the exercise of

the City of its option to purchase the EDA's interest in the Improvements, the Lease shall terminate.

2. Defeasance.

2.01 The President and the Executive Director are hereby authorized and directed to execute, on behalf of the EDA, such documents as are necessary and appropriate to terminate the Ground Lease and the Lease and defease the Series 2010A Bonds, including but not limited to an instrument terminating the Ground Lease and Lease (collectively, the "EDA Documents"). The approval hereby given to the EDA Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the President and the Executive Director, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as may act in their behalf.

Section 3. Redemption of EDA Bonds. Subject to final approval of the issuance of the 2021A Bonds by the City and in accordance with the provisions for the redemption and prepayment of the EDA Bonds set forth in the City Resolution:

(a) it is determined it is in the best interests of the sound financial management of the EDA and the City that the City issues the Series 2021A Bonds to defease, redeem and prepay the outstanding EDA Bonds and acquire the Improvements from the EDA in accordance with the Lease.

(b) the EDA Bonds maturing on February 1 in the years 2022 to and including 2027, comprising all of the EDA Bonds subject to redemption, shall be prepaid and redeemed on the Redemption Date and those EDA Bonds are hereby called for redemption on the Redemption Date; and

(c) Ehlers and Associates, Inc. and EDA staff are authorized and directed to mail the notice of call for redemption of the EDA Bonds in the form attached hereto as **Exhibit A** and take all actions necessary to redeem the EDA Bonds.

Section 4. Electronic Signatures. The electronic signature of the President and Executive Director, to EDA Documents, this resolution or to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the EDA thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature, an electronic image of a handwritten signature, or a digital signature provided by DocuSign, Adobe Sign, or any other electronic signature provider acceptable to the parties, which in each case is 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 PDF (i.e. portable document format) or other replicating image attached to an electronic mail or internet message.

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EXHIBIT A**NOTICE OF CALL FOR REDEMPTION**

\$2,245,000
 Brooklyn Park Economic Development Authority, Minnesota
 Lease Revenue Bonds, Series 2010A

NOTICE IS HEREBY GIVEN that, by order of the Board of Commissioners of the Brooklyn Park Economic Development Authority, Minnesota (the "EDA"), there have been called for redemption and prepayment on

August 3, 2021

all outstanding obligations of the EDA designated as Lease Revenue Bonds, Series 2010A (the "Bonds"), dated September 16, 2010, issued by the EDA in the original aggregate principal amount of \$2,245,000, having stated maturity dates of February 1 in the years 2022 through 2027, both inclusive, totaling \$980,000 in principal amount, and with the following CUSIP numbers:

<u>Year of Maturity</u>	<u>Amount</u>	<u>CUSIP</u>
2023*	\$305,000 ^(a)	114215 AM8
2027*	675,000	114215 AR7

* *Term Bond*

^(a) *On the date hereof, the outstanding principal amount of the February 1, 2023 maturity is \$305,000, representing the final two mandatory sinking fund principal payments payable on February 1, 2022 and February 1, 2023.*

The Bonds will be redeemed at a price of par plus accrued interest to August 3, 2021, 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 Saint Paul, Minnesota, at the following address, on or before August 3, 2021:

If by mail:

U.S. Bank National Association
 Corporate Trust Operations, 3rd Floor
 P.O. Box 64111
 St. Paul, MN 55164-0111

If by hand or overnight:

U.S. Bank National Association
 60 Livingston Avenue
 EP-MN-WS3C
 Bond Drop Window, 1st Floor
 St. Paul, MN 55107

Important Notice: In compliance with the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

Dated: _____, 2021.