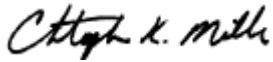



REQUEST FOR COUNCIL ACTION

Date: **2/11/2019**
Item No.: **7.b**

Department Approval



City Manager Approval



Item Description: Public Hearing to Adopting a Resolution Providing Host Approval of Tax-Exempt Funds for Roseville Senior Living LLC.

BACKGROUND

Under Federal and State Statutes, municipalities are authorized to pledge their bond issuance authority to non-profit groups for the benefit of multi-family and assisted-living housing facilities, including corporate offices of said groups. If a municipality expects to issue or receive tax-exempt bond proceeds, either directly or indirectly through a separate entity, it's required by federal law to hold a public hearing and formally approve the use of tax-exempt monies in the City.

The purpose of the public hearing is to allow for public comment on the proceeds to be expended. No special action is required by Council at the hearing. The process entails opening a public hearing, allowing for public comment (if any), and closing the public hearing.

Roseville Senior Living LLC proposes to refinance an existing loan and secure new funding to finance capital improvements for the costs of constructing and equipping of Sanctuary in Roseville; a 103-bed assisted living, independent living, and memory care facility located at 2600 Dale Street North in the City of Roseville. The facility will be owned and operated by Presbyterian Homes. The maximum estimated principal amount of the notes to be issued to finance the Project is \$25,500,000.

The Wisconsin Public Finance Authority has been selected by Roseville Senior Living LLC to issue the bonds.

POLICY OBJECTIVE

Generally speaking, the public policy reason for City participation in these financings is to promote *greater* investment in the City's multi-family and assisted-living facilities than would otherwise occur by market forces alone. Allowing the bonds to be issued tax-exempt makes the bonds more attractive to investors and results in lower borrowing costs compared to traditional financing methods. This in turn, provides more available dollars for the proposed project. The City has consistently been approving these requests for decades.

FINANCIAL IMPACTS

Not applicable.

30 **STAFF RECOMMENDATION**
31 Staff recommends the Council adopt the attached resolution providing host approval of tax-exempt funds
32 for Roseville Senior Living LLC.

33 **REQUESTED COUNCIL ACTION**
34 Motion to adopt the attached resolution providing host approval of tax-exempt funds for Roseville Senior
35 Living LLC.

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Prepared by: Chris Miller, Finance Director
Attachment: A: Resolution providing host approval of tax-exempt bonds for Roseville Senior Living LLC.

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CITY OF ROSEVILLE, MINNESOTA

RESOLUTION NO. _____

RESOLUTION CONSENTING TO AND PROVIDING HOST APPROVAL TO THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF ITS REVENUE BONDS FOR THE BENEFIT OF ROSEVILLE SENIOR LIVING LLC

BE IT RESOLVED by the City Council (the "City Council") of the City of Roseville, Minnesota (the "City") as follows:

Section 1. Recitals.

1.01. Roseville Senior Living LLC, a Minnesota limited liability company or any of its affiliates (collectively, the "Borrower"), the sole member of which is City Housing & Community Services Corporation, a California nonprofit, public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has proposed to refinance a loan made to the Borrower for the acquisition, construction, and equipping of Sanctuary in Roseville, an approximately 103-unit, 103-bed assisted living, independent living, and memory care facility to be located at 2600 Dale Street North in the City (the "Facility") and to finance the remainder of the costs of the construction and equipping of the Facility (together, the "Project").

1.02. The Borrower has requested that the Public Finance Authority, a joint powers commission under Wisconsin Statutes, Sections 66.0301, 66.0303, and 66.0304, as amended (the "Act"), and a unit of government and body corporate and politic organized and existing under the laws of the State of Wisconsin (the "Authority"), issue its revenue bonds, in one or more series, as taxable or tax-exempt obligations (the "Bonds"), in an estimated maximum aggregate principal amount of \$25,500,000, pursuant to the terms of the Act, and loan the proceeds thereof to the Borrower to (i) finance and refinance the Project; (ii) finance capitalized interest during the construction of the Project; (iii) fund required reserves; and (iv) pay costs of issuance of the Bonds.

1.03. Pursuant to Section 66.0304(11)(a) of the Act, prior to their issuance, bonds issued by the Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries the project is to be located.

1.04. The Borrower has requested that the City Council approve the financing and refinancing of the Project and the issuance of the Bonds in order to satisfy the requirements of Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 (the "Joint Exercise Agreement"), and Section 66.0304(11)(a) of the Act.

1.05. Section 147(f) of the Code and regulations promulgated thereunder require that prior to the issuance of the Bonds, the City Council of the City (the "City Council") consent to the issuance of the Bonds by the Authority after conducting a public hearing thereon preceded by publication of a notice of public hearing (in the form required by Section 147(f) of the Code and applicable regulations) in a newspaper of general circulation within the City at least fourteen (14) days prior to the public hearing date.

1.06. A notice of public hearing (the "Public Notice") was published at least fourteen (14) days before the regularly scheduled meeting of the City Council on the date hereof in the Roseville Review, the official

90 newspaper of and a newspaper of general circulation in the City, with respect to the required public hearing under
91 Section 147(f) of the Code.

92
93 1.07. On the date hereof, the City Council conducted a public hearing at which a reasonable opportunity
94 was provided for interested individuals to express their views, both orally and in writing, on providing consent to
95 the issuance of the Bonds by the Authority pursuant to the requirements of Section 147(f) of the Code and the
96 regulations promulgated thereunder.

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98 Section 2. Approvals.

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100 2.01. The City Council finds that it is in the best interest of the City to approve the issuance of the Bonds
101 by the Authority to finance and refinance the Project and hereby consents to the issuance of the Bonds by the
102 Authority for the purposes set forth above in an approximate aggregate principal amount not to exceed
103 \$25,500,000. It is the purpose and intent of the City Council that this resolution constitute approval by the City of
104 the issuance of the Bonds, as the governmental unit having jurisdiction over the area in which the Project is located,
105 in accordance with Section 66.0304(11)(a) of the Act, Section 4 of the Joint Exercise Agreement, and Section
106 147(f) of the Code.

107
108 2.02. The Mayor and City Manager and other officers, employees, and agents of the City are hereby
109 authorized and directed to prepare and furnish to the Issuer, Kennedy & Graven, Chartered, as bond counsel with
110 respect to the Bonds, and the original purchasers of the Bonds certified copies of all proceedings and records of
111 the City relating to the approval of the issuance of the Bonds, including a certification of this resolution.

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113 2.03. The Mayor and the City Manager are hereby authorized and directed to execute and deliver any
114 documents deemed necessary to fulfill the intentions of this resolution.

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116 2.04. The Borrower will, upon demand, reimburse the City for costs paid or incurred by the City in
117 connection with this resolution.

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119 2.05. This resolution shall be in full force and effect from and after its passage.

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121 Approved by the City Council of the City of Roseville, Minnesota this 11th day of February, 2019.

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Mayor

ATTEST:

City Manager