



To: MAYOR AND COUNCIL

Agenda Item #: IV. J.

From: John Wallin, Finance Director

Action

Discussion

Date: January 22, 2013

Information

Subject: Resolution No. 2013-13 Approval of Removal Of Remarketing Agent For Multifamily Housing Revenue Refunding Bonds (Vernon Terrace Apartments Project), Series 2004 And Appointment of Successor Remarketing Agent

Action Requested:

Resolution No. 2013-13 Approval of Removal of Remarketing Agent for Multifamily Housing Revenue Refunding Bonds (Vernon Terrace Apartments Project), Series 2004 and Appointment of Successor Remarketing Agent

Information / Background:

The Vernon Terrace Apartments was financed as a conduit bond issue in 2004 through the City of Edina. The bonds require on-going administration in the form of remarketing services. This is the service that sets the weekly variable interest rates for the bonds. Vernon Terrace Apartments wishes to transfer the bond remarketing services from Piper Jaffray & Co. to Dougherty & Company. Pursuant to the 2004 Bond Documents the Borrower is entitled to transfer this service with Freddie Mac's consent (credit facility or support for the bonds). The Bond Documents also require the consent of the City of Edina. By making this change, the bond document will no change, the transaction will not change and the requirements of the Borrower will not change. Because this is a conduit issue the City of Edina has no liability related to the issue.

The Borrower has received Freddie Mac's consent. To complete the process the Borrower needs to receive the consent of the City. The City's bond counsel, Dorsey & Whitney has drafted the attached resolution authorizing the Mayor and City Manager to sign the Notice to Trustee and Remarketing Agent which would satisfy the City's consent in this matter.

Attachment:

Resolution No. 2013-13 Approval of Removal of Remarketing Agent for Multifamily Housing Revenue Refunding Bonds (Vernon Terrace Apartments Project), Series 2004 and Appointment of Successor Remarketing Agent

Form of Notice to Trustee and Remarketing Agent

RESOLUTION NO. 2013-13

RESOLUTION APPROVING REMOVAL OF REMARKETING AGENT FOR MULTIFAMILY HOUSING REVENUE REFUNDING BONDS (VERNON TERRACE APARTMENTS PROJECT), SERIES 2004 AND APPOINTMENT OF SUCCESSOR REMARKETING AGENT

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

Section 1. Recitals. The City has issued its Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Vernon Terrace Apartments Project), Series 2004 (the "Bonds") pursuant to a Trust Indenture, dated as of June 1, 2004 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to Minnesota Statutes, Chapter 462C, and loaned the proceeds of the Bonds to Bigos-Vernon Terrace, LLC, a Minnesota limited liability company (the "Borrower"). The Bonds and the Indenture provide, among other things, that the owners of the Bonds (the "Bondholders") may elect (or may be required) in certain instances to tender their Bonds for purchase upon the terms and conditions contained in the Bonds and the Indenture. The Indenture appointed Piper Jaffray & Co. ("Piper") as remarketing agent for the Bonds to perform certain duties, including the use of its best efforts to remarket any Bonds tendered for purchase by the Bondholders. The Borrower has requested that pursuant to Section 10.06(c) of the Indenture that the City approve the removal of Piper as remarketing agent for the Bonds and the appointment of Dougherty & Company LLC ("Dougherty") as successor remarketing agent for the Bonds.

Section 2. Approval of Removal of Remarketing Agent and Appointment of Successor Remarketing Agent. The removal of Piper as remarketing agent for the Bonds and the appointment of Dougherty as successor remarketing agent for the Bonds is hereby approved, and the Mayor and City Manager are hereby authorized and directed to execute and deliver to the trustee notice of the approval by the City of such removal of Piper as the remarketing agent for the Bonds and the appointment of Dougherty as successor remarketing agent.

Passed and adopted by the City Council on December 22, 2013.

ATTEST: _____
Debra A. Mangen, City Clerk

James B. Hovland, Mayor

STATE OF MINNESOTA)
COUNTY OF HENNEPIN)SS
CITY OF EDINA)

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of December 22, 2013, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this ____ day of _____, 20__.

City Clerk

FORM OF NOTICE TO TRUSTEE AND REMARKETING AGENT

[DATE]

U.S. Bank National Association
60 Livingstone Avenue
EP-MN-WS3T
St. Paul, MN 55107
Attn: Dan Skef

Re: \$5,507,000 City of Edina, Minnesota Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Vernon Terrace Apartments Project) Series 2004 (the "Bonds")

Ladies and Gentlemen:

Pursuant to Section 10.06(c) of the Trust Indenture dated as of June 1, 2004 between the City of Edina, Minnesota (the "Issuer") and U.S. Bank National Association, the Issuer at the request of Bigos-Vernon Terrace, LLC (the "Borrower") hereby directs the removal of Piper Jaffray & Co. as the Remarketing Agent and the substitution of Dougherty & Company LLC as Remarketing Agent. Enclosed are (i) the request of the Borrower to such removal and substitution, (ii) the consent of the Federal Home Loan Corporation, as Credit Facility Provider, to such removal and substitution, and (iii) the form of the new Remarketing Agreement.

The removal and substitution of the remarketing agent shall be effective as of _____, 2012.

Very truly yours,

CITY OF EDINA, MINNESOTA

By _____
Mayor

By _____
City Manager

cc: Piper Jaffray & Co.
800 Nicollet Mall, 13th Floor
Minneapolis, MN 55402
Attn: Public Finance

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4Q
McLean, VA 22102
Attn: Director of Multifamily Management and Information Control

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, VA 22102
Attn: Associate General Counsel - Multifamily Legal Division

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4F
McLean, VA 22102
Attn: Director of Multifamily Loan Servicing

Bigos-Sibley Tower, LLC
c/o Bigos Investment Company
6400 Barrie Road, Suite 1400
Edina, MN 55435

Oak Grove Capital
2177 Youngman Street
St. Paul, MN 55116
Attn: Melinda Duba, Servicing Department

