



To: Members of the Edina Housing & Redevelopment Authority **Agenda Item #:** HRA VI

From: John Wallin, Finance Director

Action

Discussion

Date: September 17, 2013

Information

Subject: Resolution No. 2013-14 Authorizing Redemption of Series 2009B Bonds

Action Requested:

I recommend that the HRA Adopt Resolution No. 2013-14 Related to Taxable Public Project Revenue Bonds, Series 2009B; Approving the Redemption Thereof

Information / Background:

The City Council has within its agenda on the September 17 meeting to award the sale of General Obligation Bonds, Series 2013A to effect the current refunding of the HRA's Taxable Public Project Revenue Bonds, Series 2009B. The 2009B bonds were originally issued through the HRA and as such the HRA needs to adopt a resolution to redeem the 2009B bonds. The 2009B bonds were issued as Build America Bonds to be reimbursed in part from the United States Treasury. The bonds became callable when the United States Treasury failed to make the cash subsidy payment to which the authority was entitled on August 1, 2013 due to sequestration.

Attachments:

Resolution 2013-14

RESOLUTION NO. 2013-14

RESOLUTION RELATED TO TAXABLE PUBLIC PROJECT REVENUE BONDS, SERIES 2009B; APPROVING THE REDEMPTION THEREOF

BE IT RESOLVED by the Board of Commissioners of the Edina Housing and Redevelopment Authority (the "Authority"), as follows:

Section 1. Recitals. The Authority has issued its \$6,125,000 Taxable Public Project Revenue Bonds, Series 2009B (City of Edina Annual Appropriation Lease Obligations) (Build America Bonds – Direct Payment) dated, as originally issued, as of November 24, 2009 (the "Series 2009 Bonds"), to finance a portion of the construction of the portion of the public works facility (the "Public Works Facility") of the City of Edina (the "City") which is leased by the Authority to the City of Edina (the "City"), pursuant to a Lease Agreement, dated November 1, 2009 (the "Lease"), between the Authority, as lessor, and the City, as lessee. The City is issuing its General Obligation Bonds, Series 2013A (the "Series 2013 Bonds"), and upon the issuance of the Series 2013 Bonds will purchase the Public Works Facility from the Authority as provided in the Lease. The purchase price of the Public Works Facility received by the Authority will be applied to pay and redeem all Series 2009 Bonds maturing on and after February 1, 2014 on November 1, 2013 (the "Redemption Date"). The Series 2009 Bonds are subject to redemption since the United States of America failed to make a subsidy payment to which the Authority was entitled with respect to interest payable on the Series 2009 Bonds on August 1, 2013, and such failure was not caused by any action or inaction of the Authority.

Section 2. Payment and Redemption of Series 2009B Bonds. Upon receipt by the Authority of the purchase price of the Facilities from the City, the Authority shall deposit the purchase price of the Facilities with U.S. Bank National Association, as trustee for the Series 2009 Bonds to be used to pay and redeem the outstanding principal of the Series 2009 Bonds maturing on and after February 1, 2014 on the Redemption Date. The redemption of the Series 2009 Bonds maturing on and after February 1, 2014 on the Redemption Date is hereby approved.

ADOPTED by the Board of Commissioners of the Edina Housing and Redevelopment Authority this 17th day of September, 2013.

Its Chair

Attest:

Its Executive Director