

Extract of Minutes of a Meeting of the
City Council of the City of Ramsey, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Ramsey, Minnesota (the "City"), was duly held at the Ramsey Municipal Center, 7550 Sunwood Drive NW in said City on Tuesday, the 14th of June, 2022 at 7:00 o'clock P.M.

Councilmember introduced the following resolution and moved for its adoption:

RESOLUTION # 22-141

**RESOLUTION PRELIMINARILY APPROVING THE ISSUANCE AND SALE OF
CHARTER SCHOOL LEASE REVENUE REFUNDING BONDS (PACT CHARTER
SCHOOL PROJECT)**

WHEREAS, Minnesota Statutes, Sections 469.152 to 469.165, as amended (the "Act") authorizes cities to issue revenue bonds to finance industrial development projects to promote the welfare of the state by the active development of economically sound industry and commerce to meet the needs of an increasing population and the need for development of land use which will provide an adequate tax base to finance the increasing cost of governmental services and access to employment opportunities for such population;

WHEREAS, The City of Ramsey, Minnesota (the "City") has received from PCS Building Company, a Minnesota nonprofit corporation organized under the laws of the State of Minnesota (the "Borrower"), a proposal that the City assist in financing a Project hereinafter described through the issuance of revenue bonds or other obligations (which may be issued in one or more series) (the "Bonds") pursuant to the Act;

WHEREAS, The City desires to facilitate the selective development of the community, retain and improve the tax base, and help to provide the range of services and employment opportunities required by the population, including educational services; and the Project will assist the City in achieving those objectives and will enhance the image and reputation of the community;

WHEREAS, The project to be financed by the Bonds consists of (i) current refunding of the City's outstanding Lease Revenue Refunding Bonds (PACT Charter School Project), Series 2013A (the "Series 2013A Bonds"), the proceeds of which were used to advance refund the City's Lease Revenue Bonds (PACT Charter School Project), Series 2004A (the "Series 2004 Bonds"), the proceeds of which were used to finance the acquisition, construction, and equipping of an approximately 74,000 square-foot school facility located at 7250 East Ramsey Parkway (the "Original School Facility") in the City, which is currently leased to and operated by PACT Charter School, a Minnesota nonprofit corporation and 501(c)(3) organization (the "School") as a public charter school for students in grades kindergarten through twelve; (ii) currently refunding of the Borrower's outstanding subordinate loan from Propel Nonprofits issued in the

original principal amount of \$526,870, the proceeds of which were used to finance and refinance certain capital improvements to the Original School Facility (the “Subordinate Loan”); (iii) financing certain interior renovations to the Original School Facility to equip the Original School Facility to serve grades kindergarten through five; (iv) financing the acquisition of 18 acres of vacant land and the construction and equipping of an approximately 115,000 square-foot school facility located at or about 7633 161st Avenue NW (the “New School Facility” and, with the Original School Facility, the “Facility”) in the City, which will be leased to and operated by the Charter School as a public charter school for students in grades six through twelve; (v) providing for capitalized interest, if any, (vi) funding any required reserve funds; and (vii) paying of certain costs of issuance related to the issuance of the Bonds (collectively, the “Project”). The Project will be owned by the Borrower and leased to and operated by PACT Charter School, a Minnesota non-profit corporation having federal income tax-exempt 501(c)(3) status as a public (charter) school; and

WHEREAS, The City has been advised by representatives of the Borrower and the representatives of Robert W. Baird & Co. Incorporated, as underwriter for the Bonds, that with the aid of municipal financing, and its resulting low borrowing cost, the Project is economically feasible;

WHEREAS, Based on representations of the Borrower, no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project; and

WHEREAS, A public hearing on the Project was held on this date, after notice was published and materials made available for public inspection at the office of the Interim City Administrator, all as required by the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended, at which public hearing all those appearing who desired to speak were heard and written comments were accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

1. Findings. The City hereby finds, determines, and declares as follows:

(a) The City is authorized under the Act to assist the revenue producing project referred to herein, and to issue and sell the Bonds, as hereinafter defined, for the purpose, in the manner, and upon the terms and conditions set forth in the Act and in this Resolution.

(b) On the basis of information available to the City it appears, and the City hereby finds, that the Project constitutes properties, real and personal, used or useful in connection with one or more revenue producing enterprises within the meaning of Subdivision 2(b) of Section 469.153 of the Act; that the Project furthers the purposes stated in Section 469.152; that the availability of the financing under the Act and the willingness of the City to furnish such financing will be a substantial inducement to the

Borrower to undertake the Project, and that the effect of the Project, if undertaken, will be to assist in the prevention of the emergence of blighted and marginal land, to help prevent chronic unemployment, to help the surrounding area retain and eventually improve the tax base, to provide the range of service and employment opportunities required by the population, to help prevent the movement of talented and educated persons out of the State and to areas within the State where their services may not be as effectively used, and to promote more intensive development and use of land within the City and surrounding communities.

2. Preliminary Approval. The City hereby gives preliminary approval to the proposal of the Borrower that the City undertake the Project, and the financing therefor, pursuant to the Act and to issue the Bonds in the principal amount not to exceed \$43,000,000.

3. DEED Application. The financing of the Project by the issuance of the Bonds by the City is subject to, among other things, (a) the approval of the Project by the City and the Minnesota Department of Employment and Economic Development, (b) final approval by the City, the Borrower and the purchaser of the Bonds as to the ultimate details of the financing, and (c) review and approval of the proposed Project by Bond Counsel.

4. Payment of Costs. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City in connection with the financing of the Project whether or not the Project is carried to completion and whether or not approved by the City will be paid by the Borrower.

5. Bond Documents. Taft Stettinius & Hollister LLP, acting as bond counsel, is authorized to assist in the preparation and review of necessary documents relating to the Project, to consult with the Borrower and the purchaser of the Bonds as to the maturities, interest rates and other terms and provisions of the Bonds and as to the covenants and other provisions of the necessary documents and submit such documents to the City for final approval.

6. Limited Obligation. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project or otherwise granted to the City for this purpose. The Bonds shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property or funds of the City except the revenue and proceeds pledged for the payment thereof, nor shall the City be subject to any liability thereon. No holders of the Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City, except such property as may be expressly pledged for the security of the Bonds. The Bonds shall recite in substance that the Bonds, including the interest thereon, is payable solely from the revenue and proceeds pledged to the payment thereof. The Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

7. Reimbursement. In anticipation of the approval of the Project by the State of Minnesota, Department of Employment and Economic Development and all other necessary entities and the issuance of the Bonds to finance all or a portion of the Project, and in order that completion of the Project will not be unduly delayed when approved, the City hereby authorizes

the Borrower, in accordance with the provisions of the Act and subject to the terms and conditions imposed by the Lender, to provide for the acquisition, construction, and equipping of the Project by such means as shall be available to the Borrower and in the manner determined by the Borrower, and without advertisement for bids as may be required for the construction and acquisition of other municipal facilities; the City hereby ratifies, affirms, and approves all actions heretofore taken by the Borrower consistent with and in anticipation of such authority; and the Borrower is hereby authorized to make such expenditures and advances toward payment of that portion of the costs of the Project to be financed from the proceeds of the Bonds as the Borrower considers necessary, including the use of interim, short-term financing, subject to reimbursement from the proceeds of the Bonds if and when delivered but otherwise without liability on the part of the City.

The motion of the adoption of the foregoing resolution was duly seconded by Councilmember and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 14th day of June, 2022.

Mayor

ATTEST:

City Clerk

STATE OF MINNESOTA
COUNTY OF ANOKA
CITY OF RAMSEY

I, the undersigned, being the duly qualified and acting Interim City Administrator of the City of Ramsey, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to a resolution giving preliminary approval for the issuance of revenue Bonds.

WITNESS my hand this ____ day of _____, 2022.

Interim City Administrator