

**CITY OF FALCON HEIGHTS
COUNCIL RESOLUTION**

December 28, 2022

No. 22-63

**RESOLUTION CONSENTING TO AMENDMENTS TO THE
CITY'S EDUCATIONAL FACILITIES REVENUE REFUNDING NOTE, SERIES 2017
(SAINT PAUL ACADEMY AND SUMMIT SCHOOL PROJECT)**

WHEREAS, pursuant to a resolution of the City adopted on September 6, 2017, the City of Falcon Heights, Minnesota (the "City"), issued its Educational Facilities Revenue Refunding Note, Series 2017 (Saint Paul Academy and Summit School Project) (the "Original Note"), in the original aggregate principal amount of \$7,375,000 to Bremer Bank, National Association, a national banking association (the "Lender"); and

WHEREAS, pursuant to a Loan Agreement dated as of September 6, 2017 (the "Loan Agreement"), between the City and Saint Paul Academy and Summit School, a Minnesota nonprofit corporation (the "Borrower"), the City loaned the proceeds of the Original Note to the Borrower for the purpose of refinancing in part the acquisition, construction, and improvement of certain school facilities of the Borrower, including facilities located on the campus of the Borrower at Dunlap and Goodrich and at Randolph and Davern in the City of St. Paul, Minnesota (the "Project"), and the Borrower agreed to repay the Original Note in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Original Note; and

WHEREAS, pursuant to a Pledge Agreement (the "Pledge Agreement") dated as of September 6, 2017 between the City and the Lender, the City pledged and granted a security interest in all of its rights, title, and interest in the Loan Agreement to the Lender (except for certain rights of indemnification and to reimbursement for certain costs and expenses); and

WHEREAS, at the request of the Borrower and the Lender and pursuant to a resolution of the City adopted on February 28, 2018 (the "Amendment Resolution"), the City agreed to certain amendments to the Original Note and, with the written consent of the Borrower and Lender, executed the First Amendment to Educational Facilities Revenue Refunding Note (Saint Paul Academy and Summit School Project), Series 2017 (the "Note Amendment" and, collectively with the Original Note, the "Amended Note"); and

WHEREAS, the Amended Note is currently owned by the Lender; and

WHEREAS, the City has been advised by the Lender that the interest rate on the Amended Note is currently a variable rate based upon a London Inter-Bank Offered Rate ("LIBOR") benchmark rate, plus a spread, and that the LIBOR interest rate index is being phased out effective June 30, 2023, and will no longer be available after that date; and

WHEREAS, if LIBOR becomes unavailable during the term of the Amended Note, the Lender is authorized pursuant to the terms of the Amended Note to designate a substitute comparable index in its sole discretion; and

WHEREAS, the Borrower and the Lender have agreed to use different index to set the interest rate on the Amended Note, replacing LIBOR with one-month term SOFR for some purposes and with the 10-Year Federal Home Loan Bank Rate for others (the "Replacement Indices"); and

WHEREAS, the Lender has advised the City that the Replacement Indices are comparable to LIBOR;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Falcon Heights, Minnesota as follows:

1. The City approves the Modification and authorizes the execution of an allonge (the "Allonge") to the Amended Note, a substantially final form of which has been provided to the City.
2. The Allonge is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by bond counsel to the City; provided that delivery of the Allonge shall be conclusive evidence of approval.
3. The Mayor and the City Administrator are hereby authorized to execute and deliver the Allonge and any other related documents on behalf of the City.
4. This Resolution shall be in full force and effect from and after its passage.

Moved by:

Approved by: _____
Randall Gustafson
Mayor

GUSTAFSON ___ In Favor
MEYER
LEEHY ___ Against
WASSENBERG
WEHYEE

Attested by: _____
Jack Linehan
City Administrator