

CITY OF SHAKOPEE

RESOLUTION NO. _____

RESOLUTION REGARDING THE ISSUANCE OF REVENUE OBLIGATIONS
UNDER MINNESOTA STATUTES, SECTIONS 469.152 THROUGH 469.1655, AS
AMENDED, FOR THE BENEFIT OF ST. FRANCIS REGIONAL MEDICAL CENTER

BE IT RESOLVED by the City Council (the “City Council”) of the City of Shakopee, Minnesota (the “City”), as follows:

Section 1. Recitals.

1.01. The City is a statutory city and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota.

1.02. The City is authorized by Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”), to issue revenue bonds to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment or extension of a project, defined in the Act as any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including, without limitation, hospitals and related medical facilities.

1.03. St. Francis Regional Medical Center, a Minnesota nonprofit corporation (the “Corporation”), has proposed that the City issue its one or more series of taxable or tax-exempt revenue obligations (the “Bonds”) in the aggregate principal amount not to exceed \$25,000,000 and loan the proceeds thereof to the Corporation to (i) finance the capital costs of the expansion and improvement of the Corporation’s emergency department, the expansion and improvement of the Corporation’s cancer center, and other improvements to the Corporation’s acute care hospital facilities located at 1455 St. Francis Avenue in the City (collectively, the “Project”); (ii) finance capitalized interest during the construction of the Project; (iii) fund required reserves, if any; and (iv) pay costs of issuance of the Bonds.

1.04. Pursuant to Section 469.154 of the Act, prior to the issuance of the Bonds by the City, the Commissioner of the Minnesota Department of Employment and Economic Development (“DEED”) must approve the costs of the Project to be funded by the Bonds on the basis of an application submitted by the City with all required attachments and exhibits.

1.05. On the date hereof, the City Council conducted a public hearing on the issuance of the Bonds to finance the Project. Notice of the hearing (the “Public Notice”) was published as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder, and Section 469.154, subdivision 4 of the Act. The Public Notice was published in the *Shakopee Valley News*, the official newspaper of and a newspaper of general circulation in the City, on a date at least fourteen (14) days prior to the date hereof. The public hearing was held by telephone or other electronic means in accordance with Minnesota Statutes, Section 13D.021, and pursuant to a resolution providing for electronic meetings adopted by the City Council on March 17, 2020. During the public hearing, a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, on the Project and the issuance of the Bonds.

Section 2. Preliminary Findings. The City Council hereby reaffirms its preliminary findings made in the resolution adopted by the City Council on April 7, 2020:

(a) The proceeds of the Bonds will be loaned to the Corporation and the proceeds thereof will be used to finance the acquisition, construction, and equipping of the Project, finance capitalized interest during the construction of the Project, fund any required reserves, and pay costs of issuance of the Bonds. The City will enter into one or more loan agreements (or other revenue agreements) with the Corporation requiring loan repayments from the Corporation in amounts sufficient to repay the loan of the proceeds of the Bonds when due and requiring the Corporation to pay all costs of maintaining and insuring the Project, including taxes thereon to the extent the Project is not exempt from such taxation under state law.

(b) In preliminarily authorizing the issuance of the Bonds, the City's purpose is to further the policies of the Act.

(c) The Bonds will be special, limited obligations of the City payable solely from the revenues pledged to the payment thereof, will not be a general or moral obligation of the City, and will not be secured by or payable from revenues derived from any exercise of the taxing powers of the City.

Section 3. Preliminary Approvals.

3.01. The City Council hereby states its preliminary intention to issue the Bonds in the maximum aggregate principal amount of \$25,000,000 to (i) finance the acquisition, construction, and equipping of the Project; (ii) finance capitalized interest during the construction of the Project; (iii) fund any required reserves; and (iv) pay the costs of issuing the Bonds. The issuance of the Bonds is subject to the mutual agreement of the City, the Corporation, and the initial purchaser(s) of the Bonds as to the details of the Bonds and provisions for their payment and to approval of the Project by DEED. In providing preliminary approval to the issuance of the Bonds, the City finds that the Project furthers the purposes of the Act.

3.02. The law firm of Kennedy & Graven, Chartered, acting as bond counsel ("Bond Counsel"), is authorized to assist in the preparation and review of necessary documents relating to the Project and the Bonds issued in connection therewith. The Mayor, the City Administrator, and other officers, employees, and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents.

Section 4. Costs. The Corporation will pay the administrative fees of the City upon issuance of the Bonds and pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the financing of the Project and issuing the Bonds, whether or not the Bonds are issued.

Section 5. Commitment Conditional. The adoption of this resolution does not constitute a guaranty or firm commitment that the City will issue the Bonds as requested by the Corporation. The City retains the right in its sole discretion to withdraw from participation and accordingly not to issue the Bonds, or issue the Bonds in an amount less than the amount referred to herein, should the City at any time prior to issuance thereof determine that it is in the best interest of the City not to issue the Bonds, or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the transaction.

Section 6. Effective Date. This resolution shall be in full force and effect from and after its passage.

Approved by the City Council of the City of Shakopee this 5th day of May, 2020.

Mayor

ATTEST:

City Clerk

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