

CITY OF SHAKOPEE

RESOLUTION NO. R2021-115

RESOLUTION APPROVING ISSUANCE OF GROSS REVENUE REFUNDING BONDS BY THE MVTA BOND BOARD TO REFINANCE EXPANSION OF THE EAGAN BUS GARAGE

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

Section 1. Recitals.

1.01. The City is a member of the Minnesota Valley Transit Authority (the “Authority”), which is a joint powers entity organized pursuant to Minnesota Statutes, Section 471.59 (the “Joint Powers Act”) and Sections 473.384 and 473.388, all as amended.

1.02. The Authority owns and operates a public transit system (the “System”) under a Third Amended and Restated Joint Powers Agreement of the Minnesota Valley Transit Authority, effective as of October 3, 2014 (the “JPA”), between seven (7) cities and two (2) counties (the “Parties”).

1.03. Under the JPA, the Parties also established the MVTA Bond Board (the “Bond Board”), which may issue bonds or obligations on behalf of the Parties, under any law by which any Party may independently issue bonds or obligations, and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued; provided that such bonds or obligations shall be issued only to carry out the powers and duties of the Authority described in the JPA.

1.04. Pursuant to the JPA and Minnesota Statutes, Section 471.59, subdivision 11, the Bond Board may issue bonds and obligations only in accordance with express authority granted by the action of the governing bodies of each Party, which bodies must each approve the Bond Board decision to issue bonds and obligations.

1.05. On August 6, 2013, the Bond Board issued its Gross Revenue Bonds, Series 2013 (Minnesota Valley Transit Authority Project) (the “Prior Bonds”), in the original aggregate principal amount of \$5,900,000, pursuant to the JPA (as then in effect), the Joint Powers Act, Minnesota Statutes, Chapter 475, as amended, and an Indenture of Trust, dated as of August 1, 2013, between the Bond Board and U.S. Bank National Association, a national banking association, as trustee. Proceeds of the Prior Bonds were used to finance an expansion to the Eagan Bus Garage operated by the Authority (the “Project”).

1.06. The Prior Bonds are subject to optional redemption on or after June 1, 2020, at a price of par plus accrued interest to the redemption date. The Prior Bonds are secured by gross revenues of the Authority.

1.07. The Bond Board has determined that is in the best interest of the Authority and the Parties to redeem and prepay the outstanding Prior Bonds and refinance the Project through the issuance by the Bond Board of its Gross Revenue Refunding Bonds, Series 2021 (the “Bonds”), in the estimated principal amount of \$2,420,000, which will be secured by gross revenues of the Authority.

1.08. The Bond Board has further determined that it is in the best interest of the Bond Board and the Authority to negotiate the sale of the Bonds with the advice and assistance of Baker Tilly Municipal Advisors, LLC, as the Bond Board's municipal advisor.

1.09. The Bond Board has also determined that it is in the best interest of the Bond Board and the Authority to negotiate the sale of the Bonds to Truist Bank, a North Carolina banking corporation (the "Purchaser").

Section 2. Authorization.

2.01. The Council expressly approves the issuance of the Bonds by the Bond Board in an estimated principal amount of \$2,420,000, and expressly authorizes the Bond Board to negotiate all terms of sale of the Bonds to the Purchaser, including without limitation maturities and interest rates.

2.02. Nothing in this resolution is intended, or will be construed, to pledge the City's full faith and credit or taxing power to the Bonds, or to pledge any City funds or assets of any kind as security for the Bonds, it being understood that the Bonds will be secured solely by specified revenues of the Authority.

2.03. For the purposes of Section 265(b)(3)(C)(iii) of the Internal Revenue Code of 1986, as amended (the "Bank Qualification Act"), the City agrees, with all other Parties, that:

(a) all the Parties receive benefit from issuance of the Bonds, in that the Parties jointly own and operate the System, and the Bonds will refinance the Project, which is part of the System;

(b) an equal allocation of such benefits among all Parties except Dakota County, which is leaving the Authority at the end of this year, (i.e., one-eighth) bears a reasonable relationship to the respective benefits received by each Party; and

(c) the City irrevocably agrees to allocate one-eighth of the final principal amount of the Bonds to the City in calendar year 2021 for the purpose of determining the City's status as a "qualified small issuer" in 2021 under the Bank Qualification Act.

2.04. The City's approval of issuance of the Bonds is subject to approval by the governing body of each other Party as to the issuance of the Bonds, the approval by the Bond Board as to the issuance of the Bonds, and the approval by the Authority as to the issuance of the Bonds; provided, however, that because Dakota County has submitted its notice of withdrawal from the Authority, Dakota County will not be required to approve the issuance of the Bonds.

2.05. The Mayor and the City Administrator are authorized and directed to execute any documents deemed necessary to effectuate the intent of this resolution and to provide the Purchaser and Kennedy & Graven, Chartered, as bond counsel to the Bond Board, certified copies of all proceedings and records of the City relating to the approval of the issuance of the Bonds, including a certification of this resolution.

2.06. City staff and consultants are authorized and directed to take all other actions required to carry out the intent of this resolution.

Section 3. Effective Date. This resolution is effective upon approval by this Council.

Approved by the City Council of the City of Shakopee this 4th day of August, 2021.

Mayor

ATTEST:

City Clerk