



# Brainerd City Council Agenda Request

**Requested Meeting Date:**

**Title of Item:**

<input type="checkbox"/> INFORMATION ONLY <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> P&F COMMITTEE <input type="checkbox"/> SPW COMMITTEE <input type="checkbox"/> MAIN AGENDA	<b>Action Requested:</b> <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) *provide copy of published hearing notice <input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading
<b>Submitted by:</b>	<b>Department:</b>
<b>Presenter (Name &amp; Title):</b>	<b>Estimated Time Needed:</b>
<b>Summary of Issue:</b>	
<b>Alternatives, Options, Effects on Others/Comments:</b>	
<b>Recommended Action/Motion:</b>	
<b>Financial Impact:</b> Is there a cost associated with this request: <input type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping \$ _____ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <u>Please Explain:</u>	

**RESOLUTION NO. xx:21**

**RESOLUTION SCHEDULING A PUBLIC HEARING ON THE ISSUANCE OF  
REVENUE OBLIGATIONS BY THE CITY OF PIERZ TO FINANCE A  
PROJECT BY HORIZON HEALTH, INC.**

BE IT RESOLVED, by the City Council of the City of Brainerd, Crow Wing County, Minnesota (the "City"), as follows:

Section 1.     Recitals. The City makes the following recitals of fact:

1.01     Representatives of Horizon Health, Inc. (the "Borrower") have represented to the City that the Borrower is a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, engaged in providing health care related activities and social services. Representatives of the Borrower have further advised the City that the Borrower desires to refinance, on a tax-exempt basis, the cost to acquire a 20-bed assisted living facility located at 218 SW 9<sup>th</sup> Street in the City (the "Brainerd Project") and pay costs associated with the financing.

1.02     The representatives of the Borrower have further advised the City that the Borrower also desires to finance and refinance other projects under the Act which are located in jurisdictions of the Cities of Pierz, Motley and Little Falls (collectively with the City, the "Host Municipalities"). These other projects are described as follows: (a) constructing and equipping an approximate 1,300 square foot addition to Borrower's assisted living facilities located at 900 Eastwood Lane South, Motley, Minnesota; (b) refinancing, on a tax-exempt basis, the cost to acquire and construct Borrower's 20-bed assisted living facility and administrative offices located at 26886 143<sup>rd</sup> Street located in Pierz, Minnesota; and (c) refinancing, on a tax-exempt basis, the cost to acquire and construct a 12-unit transitional home for the developmentally disabled as well as a 4-bed group home and daycare located at 1201 Hilton Road, Little Falls, Minnesota (together with the Brainerd Project, the "Project").

1.03     The Borrower desires to finance the Project through the issuance of tax-exempt revenue obligations in an amount not to exceed \$3,000,000 (the "Obligations") of the City of Pierz, Minnesota (the "Issuer").

1.04     Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel ("Bond Counsel") has advised the City as follows:

(a)     The legal authority for the issuance of the Obligations is Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the "Act").

(b)     The Act authorizes the City to issue revenue obligations to refinance indebtedness incurred by an organization engaged in providing health care related activities and social services.

(c)     In order for interest on the Obligations to be exempt from federal income taxation, the tax-exempt bond rules of the Internal Revenue Code of 1986, as amended, require that each jurisdiction in which a portion of the Project is located must hold a public hearing on the Project and approve the issuance of the Obligations.

(d) In order for the Obligations to be legally issued by the Issuer, Minnesota State law (Minnesota Statutes, Section 471.656) requires that the City consent to the issuance of the Obligations by the Issuer.

Section 2. Public Hearing.

2.01 The City agrees to hold a public hearing on the issuance of the Obligations.

2.02 The City Administrator, or Bond Counsel at the direction of the City Administrator, is authorized and directed to publish the notice substantially in the form attached hereto as Exhibit A, in the official newspaper of the City and a newspaper of general circulation in the City not less than 7 days nor more than 30 days prior to the date set for the public hearing; provided that if the official newspaper of the City is a newspaper of general circulation in the City, the notice may be published only once.

Section 3. City Costs. The Borrower has agreed that it will pay the administrative fees of the City and pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the issuance of the Obligations, whether or not the Project is carried to completion, or the Obligations are issued.

Adopted this \_\_\_\_ day of March, 2021

\_\_\_\_\_  
KELLY BEVANS  
President of the Council

Approved this \_\_\_\_ day of March, 2021

\_\_\_\_\_  
DAVE BADEAUX  
Mayor

ATTEST: \_\_\_\_\_  
JENNIFER BERGMAN  
City Administrator

## **EXHIBIT A**

### **NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT AND THE ISSUANCE OF PRIVATE ACTIVITY BONDS**

#### **CITY OF BRAINERD, MINNESOTA**

Notice is hereby given that the City Council of City of Brainerd, Minnesota (the "City") will meet on Monday, March 15, 2021, at 7:30 p.m., or as soon thereafter as reasonably possible in the City Hall, 501 Laurel Street, Brainerd, Minnesota, for the purpose of conducting a public hearing to consider giving host approval to the issuance by the City of Pierz (the "Issuer") of revenue obligations, in one or more series, under Minnesota Statutes, Sections 469.152 through 469.1655 (the "Act"), in order to finance the cost of a project located in the City. The project will consist of refinancing, on a tax-exempt basis, the cost to acquire a 20-bed assisted living facility located at 218 SW 9<sup>th</sup> Street in the City and paying a portion of the costs associated with the financing, in the maximum amount of \$500,000 (the "Project") on behalf of the owner, Horizon Health, Inc., a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Borrower"). The Borrower has proposed combining the financing for the Project with the financing of other projects under the Act which are located in the jurisdictions of the Issuer and the Cities of Motley and Little Falls, Minnesota (collectively with the City, the "Host Municipalities"), with the total amount of the obligations to be issued presently being estimated at not to exceed \$3,000,000. The Borrower owns and operates the facilities to be financed and refinanced.

A portion of the costs of issuing the proposed revenue obligations will also be financed. The proposed revenue obligations will be qualified 501(c)(3) bonds as defined in Section 145 of the Code.

The obligations and interest thereon shall not be payable from nor charged against any funds of the Host Municipalities other than revenue pledged for the payment thereof, nor shall the Host Municipalities be subject to any liability thereon. No holders of the obligations shall ever have the right to compel any exercise of the taxing power of the Host Municipalities to pay the obligations or the interest thereon, nor to enforce payment against any property of the Host Municipalities. Such obligations shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Host Municipalities, nor shall the same constitute a debt of the Host Municipalities within the meaning of any constitutional or statutory limitations.

All persons interested may appear and be heard at the time and place set forth above. Written comments may be submitted to Jennifer Bergman, City Administrator, at 501 Laurel Street, Brainerd, Minnesota 56401 or via email at [jbergman@ci.brainerd.mn.us](mailto:jbergman@ci.brainerd.mn.us), in advance of the hearing.

**EXTRACT OF MINUTES OF A REGULAR MEETING OF THE  
CITY COUNCIL OF THE  
CITY OF BRAINERD, MINNESOTA**

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Brainerd, Minnesota, was duly called and held at the City Hall located at 501 Laurel Street, Brainerd, Minnesota, on Tuesday, March 1, 2021, at 7:30 p.m.

The following members were present: \_\_\_\_\_

and the following members were absent: \_\_\_\_\_

MOTION: Member \_\_\_\_\_ moved to adopt Resolution No. \_\_\_\_\_, entitled "Resolution Scheduling a Public Hearing on the Issuance of Revenue Obligations by the City of Pierz to Finance a Project by Horizon Health, Inc.," the reading of which had been dispensed with by unanimous consent.

SECOND: Member \_\_\_\_\_

RESULT: On a roll call vote the motion was carried.

Ayes:  
Nays:  
Not Voting:  
Absent: