

**City of Minneapolis**  
**Request for Committee Action**

**To:** Community Development & Regulatory Services  
**Date:** 3/22/2016  
**Referral:** N/A  
**From:** Community Planning & Economic Development  
**Prepared by:** Charles Curtis  
**Presented by:** Charles Curtis  
**File type:** Resolution  
**Subcategory:** Bond

---

**Subject:**

Mount Olivet Careview Home and Mount Olivet Home revenue bond issuance.

**Description:**

Passage of resolution approving and consenting to the issuance of up to \$33 million in 501 (c)(3) Tax-exempt Revenue Bonds by the City of Saint Louis Park for Mount Olivet Careview Home and Mount Olivet Home and authorizing the execution of a Cooperative Agreement with the City of Saint Louis Park.

**Previous Actions:**

City of Minneapolis and the Minneapolis Community Development Agency approved previous 501 (c)(3) tax-exempt revenue bonds on 2003 -(\$7,500,000), 2006-(\$3,038,000) and 2011-(\$5,971,000).

**Ward/Address:**

Ward 11  
5517 Lyndale Avenue South and 603 West 55th Street

**Background/Analysis:**

Mount Olivet Home, a 94 bed boarding care facility, and Mount Olivet Careview Home, a 153 bed licensed skilled nursing facility, are implementing a renovation and addition to the existing facilities. Neither facility will be adding residents.

Mount Olivet Home and Mount Olivet Careview Home currently have 290 employees. Eighty-four of the employees live in Minneapolis. Four employees are expected to be added to the staff after completion of the project.

To finance the project, Mount Olivet is working with the City of Saint Louis Park to issue 501 (c)(3) tax-exempt bonds. The bonds will refund the City of Minneapolis Bond Series 2003, originally issued in the amount of \$7,500,000 and the Minneapolis Community Development Agency Bond Series 2011, originally issued in the amount of \$5,971,000. In addition, the City of Saint Louis Park bond issue will fund the acquisition, construction and equipping of a new 36,000 square foot addition to the Mount Olivet Home and finance the remodeling of 51,000 square feet of the existing the Mount Olivet Careview Home. The Mount Olivet Home is located at 5517 Lyndale Avenue South and the Mount Olivet Careview Home is located at 603 West 55<sup>th</sup> Street.

Mount Olivet Home and Mount Olivet Careview Home have requested that the City of Saint Louis Park issue the 2016 bonds for a few reasons. The administration fees of the City of Saint Louis Park are lower than the City of Minneapolis' fees. For unrated revenue bonds, in order to protect potential bond purchasers, the City of Minneapolis requires the minimum amount of bonds purchased to be \$25,000 and the bond purchasers to be accredited investors. The City of Saint Louis Park does not have any such restrictions.

Mount Olivet has stated that the minimum purchase amount and the accredited investor requirement will prevent its members from purchasing the new bonds to support the project. Members of Mount Olivet are important to the marketing of the new bonds.

Kennedy & Graven is Bond Counsel.

Northland Securities is the Underwriter.

**Financial Review:**

**No additional appropriation required, amount included in current budget.**

Note: City of Minneapolis administrative fee revenue will be reduced by about \$21,000 a year with the refinancing of the Series 2003 and Series 2011 bonds.

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**

**Attachments:**

1. Resolution