

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman and Hodges

Approving the 520 Second Street SE Tax Increment Financing Plan, Modification No 11 to the Holmes Urban Renewal Plan and Modification No 120 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan.

Resolved by the City Council of the City of Minneapolis:

Section 1. Recitals

1.1. Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City"), acting by and through its department of Community Planning and Economic Development, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws").

1.2. By Resolution duly adopted on November 27, 1968 and approved on December 2, 1968, the City approved the Holmes Urban Renewal Plan and thereby established the Holmes Urban Renewal Area. Ten subsequent modifications to the Holmes Urban Renewal Plan were approved by Council Resolution.

1.3. By Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City approved the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan (the "Common Plans"). The project area established by the Holmes Urban Renewal Plan (the "Project Area") is geographically located within the project area established by the Common Plans (the "Common Project").

1.4. It has been proposed and the City has caused to be prepared, and this Council has investigated the facts with respect to, the 520 Second Street SE Tax Increment Financing Plan (the "TIF Plan"), Modification No 11 to the Holmes Urban Renewal Plan ("Modification No 11"), and Modification No 120 to the Common Plans (collectively, the "Plans"). The TIF Plan creates a new housing TIF district (the "TIF District") within the Project Area, designates property to be included in the TIF District, states the City's objectives, describes proposed development activity, and identifies a budget for expenditures. Modification No 11 updates the Holmes Urban Renewal Plan Land Use Map and Land Use Provisions and Requirements. Modification No 120 to the Common Plans describes the proposed development activity and financing and incorporates by reference Modification No 11 into the Common Plans. The TIF District is not incorporated into the Common Project and is not subject to existing Common Project obligations and commitments. These actions are all pursuant to and in accordance with the Project Laws.

1.5. The City has performed all actions required by law to be performed prior to the adoption of the Plans, including, but not limited to, a review of the proposed Plans by the affected neighborhood group and the City Planning Commission, transmittal of the proposed Plans to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing upon published notice as required by law.

Section 2. Findings and Election

2.1. The Council hereby finds, determines and declares that the objectives and actions authorized by the Plans are all pursuant to and in accordance with the Project Laws.

2.2. The Council further finds, determines and declares that the Plans conform to the general plan for the development or redevelopment of the city as a whole. Written comments of the City Planning Commission with respect to the Plans were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.3. The Council further finds, determines and declares that the Plans will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the redevelopment of the Project Area and TIF District by private enterprise.

2.4. The Council further finds, determines and declares that the land in the Project Area and TIF District would not be made available for redevelopment without the financial aid and public assistance to be sought.

2.5. The Council further finds, determines and declares that the 520 Second Street SE TIF District is a housing district pursuant to Minnesota Statutes, Section 469.174, Subdivision 11.

2.6. The Council further finds, determines and declares that the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

2.7. The Council further finds, determines and declares that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increment for the maximum duration of the district permitted by the TIF Plan.

2.8. The Council further finds, determines and declares that the reasons and facts supporting the findings in this resolution are described in the Plans.

2.9. The Council elects the method of computation provided in Minnesota Statutes, Section 469.177, Subdivision 3, Paragraph (a). The Council acknowledges that, by making this election, the entire fiscal disparity contribution required of the City for development occurring within this district will be taken from outside the 520 Second Street SE TIF District.

2.10. The Council hereby finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plans.

Section 3. Approval of the Plans

3.1. Based upon the findings set forth in Section 2 hereof, the Plans presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plans

4.1. After passage and publication of this Resolution, the officers and staff of the City and the City's consultants and counsel are authorized and directed to proceed with the implementation of the Plans, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.

4.2. As provided under Minnesota Statutes, Section 469.178, Subdivision 7, this Council hereby authorizes the advance of revenues from other available development revenues of the City in the principal amount needed to offset any negative fund balances incurred with respect to this TIF District as a result of expenditures incurred prior to or in excess of the collection of tax increment revenue. The interest rate paid on such advances shall be equal to the rate of interest those revenues would have generated in their fund. The term of this advance shall end upon the termination of the TIF District, although as revenues are available in the fund for the TIF District, the advance shall be offset by such amounts.