

RESOLUTION

of the

CITY OF MINNEAPOLIS

By _____ Goodman _____

Authorizing the issuance of a tax increment limited revenue note in a principal amount not exceeding \$790,000 in connection with the Holmes Urban Renewal Project and the 520 Second Street SE Tax Increment Financing District.

Whereas, the City Council, exercising powers granted by Minnesota Laws 2003, Chapter 127, Article 12, Sections 31-34 (the "Special Law") adopted Chapter 415, Minneapolis Code of Ordinances, established the Department of Community Planning and Economic Development (CPED); and

Whereas, the City Council adopted Resolution 2003R-625 on December 29, 2003, by which, among other things, the assets, programs, projects, districts, developments and obligations of the Minneapolis Community Development Agency were transferred to the City of Minneapolis to be administered by CPED; and

Whereas, among the projects transferred to the City was the Holmes Urban Renewal Project; and

Whereas, pursuant to the Special Law and the Ordinance, the City has certain powers, including without limitation the powers contained in Minnesota Statutes, Sections 469.001 to 469.047 (the "HRA Act"), and Minnesota Statutes, Sections 469.174 to 469.179 (the "Tax Increment Act"); and

Whereas, in furtherance of the objectives of the HRA Act, the City has undertaken programs for the clearance and reconstruction or rehabilitation of blighted areas of the City and the development of housing for persons of low and moderate incomes, and in this connection the City is engaged in carrying out a housing project within the Holmes Urban Renewal Project (the "Project"); and

Whereas, pursuant to the HRA Act and the Tax Increment Act, the City has approved an amendment to the urban renewal plan and approved a tax increment financing plan for the 520 Tax Increment Finance District, both dated March 16, 2012, and adopted May 11, 2012, for the Project; and

Whereas, pursuant to the Tax Increment Act, and specifically Section 469.178, subd 4, the City is authorized to issue its tax increment limited revenue notes to finance the public redevelopment costs of the Project; and

Whereas, the City has entered or will enter into a redevelopment contract (the "Redevelopment Contract") with 520 Second Street Apartments Limited Partnership, a Minnesota limited partnership (the "Developer"), pursuant to which the City will provide tax increment financing assistance and the Developer will use said tax increment financing assistance for eligible public redevelopment costs associated with the development of approximately 91 units of low income rental housing.

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City issue a tax increment financing limited revenue note (the "TIF Note") to the Developer.

Be It Further Resolved that the form of the TIF Note is hereby approved and shall be executed by the Finance Director.

Be It Further Resolved that all actions of the members, employees and staff of the City heretofore taken in furtherance of the issuance of the TIF Note are hereby approved, ratified and confirmed.

Be It Further Resolved that the sale of said TIF Note to the Developer is hereby approved; and the TIF Note is hereby directed to be sold to the Developer, at the price and rate set forth in the TIF Note, and upon the terms and conditions set forth in the Redevelopment Contract.

Be It Further Resolved that the Finance Director is hereby authorized and directed to execute such other documents, agreements and certificates as may be required in connection with the TIF Note.

Be It Further Resolved that no provision, covenant or agreement contained in the TIF Note or in any other document related to the TIF Note, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the tax increment revenues that are to be applied to the payment of the TIF Note, as provided therein and in the Redevelopment Contract. The TIF Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenue pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the TIF Note shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the TIF Note or the interest thereon, or to enforce payment thereon against any property of the City. The TIF Note shall not constitute a payment thereon against any property of the City. The TIF Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

Be It Further Resolved that the TIF Note, when executed and delivered, shall contain a recital that it is issued pursuant to the Tax Increment Act, and such recital shall be conclusive evidence of the validity of the TIF Note and the regularity of the issuance thereof, and that all acts, conditions and things required by the laws of the State of Minnesota relating to the adoption of the resolution, to the issuance of the TIF Note and to the execution of the aforementioned documents to happen, exist and be performed precedent to and in the enactment of this resolution, and precedent to issuance of the TIF Note and precedent to the execution of the aforementioned documents have happened, exist and have been performed as so required by law.

Be It Further Resolved that except as herein otherwise expressly provided, nothing in this resolution, the TIF Note or the Redevelopment Contract, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the City and the Developer any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provision hereof or of the TIF Note and Redevelopment Contract; this resolution, the TIF Note, the Redevelopment

Contract and all of their provisions being intended to be and being for the sole and exclusive benefit of the City and the Developer.

Be It Further Resolved that in case any one or more of the provisions of this resolution, the TIF Note or the Redevelopment Contract shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this resolution, the TIF Note or the Redevelopment Contract.

Be It Further Resolved that this resolution shall be in full force and effect from and after its passage.