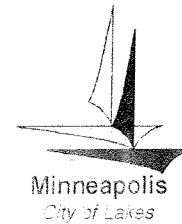


Community Planning & Economic Development
Crown Roller Mill – Suite 200
105 Fifth Avenue South
Minneapolis, MN 55401



NOTICE & AGENDA

REGULAR MEETING OF THE MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

317 City Hall, Minneapolis, Minnesota

Friday, October 5, 2012

Following 9:30 a.m. City Council Meeting

1. Accept Minutes of the Special Meeting held on July 20, 2012.

Forwarded from the Joint CD/Operating Committee (9/25/2012)

2. Request for Approval Authorizing the Execution of Documents to Amend the Series 2005 Bonds for the YMCA Project.

**Minutes
Special Meeting
Minneapolis Community Development Agency Board of Commissioners
July 20, 2012**

Present: Commissioners Lisa Goodman (Chair), John Quincy (Vice-Chair), Robert Lilligren (Secretary), Kevin Reich, Cam Gordon, Diane Hofstede, Barbara Johnson, Don Samuels, Elizabeth Glidden, Gary Schiff and Betsy Hodges - 11
Absent: Commissioners Sandy Colvin Roy, Meg Tuthill - 2

Chair Goodman called the meeting to order at 10:25 a.m., in Room 317 City Hall, Minneapolis, Minnesota, immediately following the Minneapolis City Council Meeting, a quorum being present.

1. Accept Minutes of the Regular Meeting of June 29, 2012.

Quincy moved acceptance. Seconded
Adopted.

Yeas – Lilligren, Quincy, Glidden, Johnson, Hodges, Samuels, Gordon, Reich, Hofstede, Schiff, Goodman.
Absent – Colvin Roy, Tuthill.

Chair Goodman presented an overview of Item 2 which was approved by the Minneapolis Community Development Agency Operating Committee on July 10, 2012.

2. Request to formally appoint the Mayoral nomination of Jeremy Hanson Willis to the position of Director of the Department of Community Planning and Economic Development and Executive Director of the Minneapolis Community Development Agency, to complete the term of Mike Christenson, which expires 12/31/2013.

Quincy moved to approve. Seconded
Adopted. Yeas, 10; Nays, 1 as follows:

Yeas – Lilligren, Quincy, Glidden, Johnson, Hodges, Samuels, Gordon, Reich, Hofstede, Goodman.
Nays – Schiff.
Absent – Colvin Roy, Tuthill.

The action taken on Item 2 was approved by Mayor R.T. Rybak on July 24, 2012.

The meeting adjourned at 10:26 a.m.

Robert Lilligren, Secretary

Date Minutes Accepted



APPROVED AT
JOINT CD & OPERATING COMMITTEE

Request for MCDA Board of Commissioners Action from the Department of Community Planning & Economic Development - CPED

Date: September 25, 2012

To: Council Member Lisa Goodman, Community Development Committee



Referral to: MCDA Board of Commissioners

Subject: Request for Approval Authorizing the Execution of Documents to Amend the Series 2005 Bonds for the YMCA Project.

Recommendation: City Council Recommendation: Adopt the attached Resolution, Authorizing the execution of various documents to amend the Series 2005 Bonds issued for the YMCA Project.

MCDA Board Recommendation: Forward this report to the Minneapolis Community Development Agency Board of Commissioners for their approval and adoption of the attached Resolution, authorizing the execution of various documents to amend the Series 2005 Bonds issued for the YMCA Project.

Previous Directives: In 1992 the City issued \$400,000 in tax-exempt 501(c)(3) bonds for the YMCA to purchase and install computer and phone equipment in their facilities. In 2003 the City issued \$1.4 million in tax-exempt 501(c)(3) bonds as a joint issue with St. Paul to finance the purchase and renovation of the building at 2125 E. Hennepin Avenue as a shared corporate administrative facility for the Minneapolis and St. Paul YMCA's. In 2005 the City issued \$5 million in tax-exempt 501(c)(3) bonds to finance various construction, renovation and equipment purchases for various projects located at eight Minneapolis YMCA facilities and six metro-wide facilities. The eight Minneapolis YMCA facilities were located in Wards 1, 2, 3, 5, 7, 9, 10 and 11.

Prepared by: Bob Lind, 673-5068	
Approved by: Charles T. Lutz, Deputy Director CPED	
Catherine A. Polasky, Director, Economic Development	
Presenters in Committee: Bob Lind	
Funding Source and Appropriation	
Language Reviewed by Development Finance:	N.A.

Reviews

- Permanent Review Committee (PRC): Approval N.A.

Financial Impact

- Other financial impact: The issuance of the Series 2005 Bonds for the YMCA Project generated revenue bond administrative fees of about \$12,500 per year that are used to support the small business assistance programs of the City of Minneapolis. The collection of the revenue bond administrative fees will continue with the amending of the Series 2005 Bonds.

Community Impact

- Neighborhood Notification: Back in 2005 the following neighborhood organizations were notified of the YMCA projects: Downtown Minneapolis Neighborhood Association, Jordan Area Community Council, Marcy-Holmes Neighborhood Association, Holland Neighborhood Improvement Association, Tangletown Neighborhood Association, Northside Residents Redevelopment Council, Logan Park Neighborhood Association, and the Standish-Ericsson Neighborhood Association.
- City Goals: The 2005 projects were consistent with maximizing economic development within the City by focusing on its physical and human assets.
- Comprehensive Plan: The 2005 projects were in compliance with The Minneapolis Plan.
- Zoning Code: All projects were in compliance with the City zoning codes.

Supporting Information:

The YMCA of Minneapolis has made use of tax-exempt 501(c)(3) revenue bond financing for a number of projects over the years. In 2005, the City issued \$5 million in revenue bonds to finance the construction, renovation, and equipment purchases to various administrative office, community program and health enhancement facilities located at the following addresses, eight of which are located in Minneapolis and six located throughout the metro area.

1. 30 S. Ninth Street, Downtown Branch (Ward 7)
2. 2125 E. Hennepin Ave. Shared Administrative Center (Ward 1)
3. 4 W. Rustic Lodge, Camping Services (Ward 11)
4. 3335 Blaisdell Ave. S., South Minneapolis Branch (Ward 10)
5. 4100 28th Avenue S., South Mpls. branch and Youth in Government (Ward 9)
6. 1711 West Broadway, North Community Branch (Ward 5)
7. 1801 University Ave. S.E., University Branch (Ward 2)
8. 2304 Jackson Street, N.E., Emma Howe Family Branch (Ward 3)
9. 8950 Springbrook Drive, Emma Howe Northtown Family Branch, Coon Rapids
10. 15200 Hanson Blvd., Andover
11. 13850 Portland Avenue S., Minnesota Valley Branch, Burnsville
12. 7601 42nd Avenue, Northwest Branch, New Hope
13. 12301 Ridgedale Drive, Ridgedale Branch, Minnetonka
14. 7355 York Avenue S., Southdale Branch, Edina

At the time in 2005, the \$5 million in revenue bonds were issued through the City's Bank Qualified Bank Direct Tax-exempt Revenue Bond Program, a means of issuing lower-interest rate financing for smaller nonprofit organizations. These Bank Qualified Bonds are typically privately placed with local banks underwriting the debt similar to a conventional bank loan, but with the interest rate to the borrower being lower due to the tax-exempt status of the bonds.

At this time, the YMCA is requesting the tax-exempt revenue bonds issued in 2005 be amended to allow for a reduction in the interest rate for the remaining three year term on the bonds. The original revenue bonds were privately placed with Wells Fargo Securities for a ten year term at 4.15% with a final maturity on October 1, 2015. Wells Fargo Securities is willing to reduce the interest rate to 2.0% for the final three years on the term. The outstanding principal balance on the Series 2005 Bonds is now down to \$1,719,917.

In order to facilitate the reduction in the interest rate, various bond documents will need to be amended. It is staff's recommendation to approve and authorize the execution of the necessary documents to permit the reduction in the interest rate.

BOND COUNSEL: Gray, Plant & Mooty, P.A.

UNDERWRITER: Wells Fargo Securities, LLC

YMCA Report Amending Series 2005 Bonds

Giving approval to and authorizing the amendment of a revenue bond previously issued by the Minneapolis Community Development Agency on behalf of Young Men's Christian Association of the Greater Twin Cities (the "Company").

Whereas, pursuant to Laws of Minnesota 1980, Chapter 595, as amended ("Chapter 595"), the City Council of the City of Minneapolis, Minnesota (the "City") established the Minneapolis Community Development Agency (the "Agency") and granted certain powers and duties to the Agency; and

Whereas, pursuant to such granted powers, the Agency has been authorized to issue revenue obligations for various purposes; and

Whereas, the Agency has issued its \$5,000,000 Revenue Bond (YMCA of Metropolitan Minneapolis Project) Series 2005 (the "Bond") to finance the improving and equipping of various administrative office, community program and health enhancement facilities of the Company; and

Whereas, the Company and Wells Fargo Securities, LLC, the holder of the Bond, have proposed an amendment to the Bond to reduce the interest rate thereon for the remaining three year term thereof; and

Whereas, the Agency expects to give approval to the amendment of the Bond by a resolution to be adopted on the date hereof;

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

That the City Council hereby gives approval to the amendment by the Agency of the Bond.

That the amended Bond is hereby designated as a "Program Bond" and is determined to be within the "Housing Program" and the "Program," all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 97R-402 of the City adopted December 12, 1997.

Relating to the Minneapolis Community Development Agency Revenue Bond (YMCA of Metropolitan Minneapolis Project) Series 2005; authorizing the amendment thereof.

Be It Resolved by the Board of Commissioners (the "Board") of the Minneapolis Community Development Agency (the "Agency"), as follows:

Section 1. Definitions.

1.01. In this Resolution the following terms have the following respective meanings unless the context hereof or use herein clearly requires otherwise:

"Agreement" means the Loan Agreement entered into between the Agency and the Borrower relating to the Bond;

"Bond" means the Revenue Bond (YMCA of Metropolitan Minneapolis Project), Series 2005 previously issued by the Agency in the principal amount of \$5,000,000;

"Bond Documents" means the Agreement, the Pledge Agreement, the Security Agreement and the Bond;

"Borrower" means Young Men's Christian Association of the Greater Twin Cities (formerly known as The Young Men's Christian Association of Metropolitan Minneapolis), a Minnesota nonprofit corporation, its successors and assigns;

"City" means the City of Minneapolis, Minnesota;

"Holder" means the registered holder of the Bond;

"Pledge Agreement" means the Pledge Agreement entered into between the Agency and the Holder relating to the Agreement and the Bond;

"Project" means the improving and equipping of various administrative office, community program and health enhancement facilities of the Borrower, financed with the proceeds of the Bond, as further defined in the Agreement;

"Security Agreement" means the Security Agreement granted by the Borrower to the Holder as security for the Bond.

Section 2. Authorization and Approval of Amended Bond.

2.01. Request. The Borrower and Wells Fargo Securities, LLC, the Holder of the Bond, have requested that the Agency authorize the amendment of the Bond to provide for a reduced interest rate on the Bond for the three year remaining term thereof.

2.02. Approval of Amended Bond. Pursuant to the foregoing, there has been prepared an Amended and Restated Revenue Bond (YMCA of the Greater Twin Cities Project) Series 2005 (the "Amended Bond"), which is now or shall be placed on file in the office of the Agency.

The Amended Bond is approved, with such variations, insertions and additions as are deemed appropriate by the parties and approved by the Agency.

2.03. Execution of Amended Bond and Related Documents. Upon the completion of the Amended Bond, the Finance Officer (or Assistant Finance Officer) shall execute the same on behalf of the Agency, and the foregoing persons and other officers of the Agency shall execute such other certifications, documents or instruments as Bond Counsel shall require, including any necessary amendments to the Bond Documents, subject to the approval of the Agency, and all certifications, recitals and representations therein shall constitute the certificates, recitals and representations of the Agency. Execution of any instrument or document by one or more appropriate officers of the Agency shall constitute and shall be deemed the conclusive evidence of the approval and authorization by the Agency and the Board of the instrument or document so executed.

Section 3. Limitations of the Agency's and City's Obligations.

3.01. Notwithstanding anything contained in the documents relating to the Amended Bond, the Amended Bond and any premium and interest thereon shall not constitute an indebtedness of the Agency or City within the meaning of any constitutional, charter or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Agency or City or a charge against their general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Agency or City, and no Holder of the Amended Bond shall ever have the right to compel any exercise of the taxing power of the Agency or City to pay the Amended Bond or the interest thereon or to enforce payment thereof against any property of the Agency or City. The agreement of the Agency to perform the covenants and other provisions contained in the documents relating to the Amended Bond shall be subject at all times to the availability of revenues furnished by the Borrower sufficient to pay all costs of such performance or the enforcement thereof, and neither the Agency or City nor any of their officers, employees or agents shall be subject to any personal or pecuniary liability thereon.

Section 4. Agency Representative.

4.01. The Finance Officer or Assistant Finance Officer of the Agency is hereby designated and authorized to act on behalf of the Agency for purposes of the documents relating to the Amended Bond.

Section 5. Governmental Program.

5.01. The Amended Bond is hereby designated as a "Program Bond" and is determined to be within the "Housing Program" and the "Program," all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 97R-402 of the City adopted December 12, 1997.

