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2015R- 138
RESOLUTION
of the
CITY OF
MINNEAPOLIS

By Goodman

Giving preliminary approval to the issuance of tax-exempt multifamily housing revenue bonds under Minnesota Statutes, Chapter 462C, for the purpose of financing a housing program consisting of the acquisition and construction of a multifamily rental housing development located in the City of Minneapolis.

Whereas, the City of Minneapolis, a home rule city and political subdivision of the State of Minnesota (the "City"), is authorized, pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act"), to develop and administer programs to finance one or more multifamily housing developments within its boundaries; and

Whereas, Section 462C.07 of the Act authorizes the City to issue and sell revenue bonds or obligations to finance programs for the multifamily housing developments; and

Whereas, Corcoran Triangle, LP, a Minnesota limited partnership (the "Borrower"), the General Partner of which is Corcoran Triangle, LLC, a Minnesota limited liability company, has requested that the City adopt a multifamily housing development program (the "Program") to provide for the issuance of tax-exempt multifamily housing revenue bonds in an aggregate principal amount not to exceed \$13 million (the "Bonds") for the purpose of loaning the proceeds thereof to the Borrower, or its affiliate or assign, to finance the acquisition and construction of an approximately 135-unit rental housing development and facilities functionally related and subordinate thereto, located at 3120 - 24th Avenue South in the City (the "Project"), to be owned by the Borrower; and

Whereas, the Community Development and Regulatory Services Committee of the Minneapolis City Council, on behalf of the City, held a public hearing on the Program and the proposed issuance of the Bonds; and

Whereas, the public hearing was preceded by the publication of a notice of public hearing in a newspaper of general circulation in the City at least fifteen (15) days prior to the public hearing before the Community Development and Regulatory Services Committee; and

Whereas, the Program was submitted to the Metropolitan Council for its review and comment in accordance with the requirements of the Act; and

Whereas, the City has been advised by the Borrower that conventional commercial financing is available to pay the capital costs of the Project only on a limited basis and at such high costs of borrowing that the scope of the Project and the economic feasibility of its operations would be significantly affected; and

Whereas, the United States Department of the Treasury has promulgated final regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City or a borrower from the City for project expenditures paid prior to the date of issuance of such bonds. Those regulations, Treasury Regulations, Section 1.150-2 (the "Regulations"), require that the City adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the

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proceeds of the bonds occur within eighteen (18) months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures of the Project and the costs of issuing the Bonds; and

Whereas, the City reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Bonds after the date of payment of a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Act; and

Whereas, based on representations by the Borrower, no expenditures with respect to the Project have been made by the Borrower more than sixty (60) days before the date of adoption of this resolution other than: (i) expenditures to be paid or reimbursed from sources other than the Bonds; (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations; or (iii) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations); and

Whereas, based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long term-basis, or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside) to provide permanent financing for the expenditures related to the Project to be financed from proceeds of the Bonds, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof; and

Whereas, the Bonds shall not constitute indebtedness of the City within the meaning of any state constitutional provision or statutory limitation, the Bonds shall not constitute general or moral obligations of the City or give rise to a charge against the general credit or taxing powers of the City, the Bonds shall not constitute or give rise to a pecuniary liability of the City, and the Bonds shall be payable solely out of any funds and properties expressly pledged as security therefor;

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

That the Program is hereby approved and adopted by the City.

Be It Further Resolved that the issuance of the Bonds pursuant to the Program in an aggregate principal amount not to exceed \$13 million is hereby preliminarily approved.

Be It Further Resolved that the City hereby reserves \$13 million of its housing revenue bond entitlement authority or carry forward authority for the financing of the Project.

Be It Further Resolved that the foregoing preliminary approval of the issuance of the Bonds shall be subject to final determination by the City of the terms and conditions of the Bonds and shall not constitute an irrevocable commitment on the part of the City to issue the Bonds.

Be It Further Resolved that this resolution shall constitute an official intent to reimburse original expenditures with respect to the Project paid on or after the date sixty (60) days prior to the date of adoption of this resolution.

Be It Further Resolved that the staff of the City is hereby authorized, in cooperation with bond counsel, to take all steps necessary and desirable to proceed to develop the Program and financing therefor.

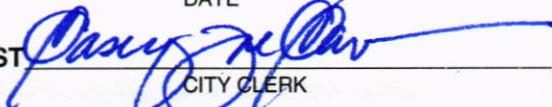
Be It Further Resolved that this Resolution shall take effect upon publication.

Certified as an official action of the City Council: 

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Reich	X						Glidden	X					
Gordon	X						Cano	X					
Frey	X						Bender	X					
B Johnson	X						Quincy	X					
Yang	X						A Johnson	X					
Warsame	X						Palmisano	X					
Goodman	X												

ADOPTED APR 03 2015
DATE

APPROVED NOT APPROVED VETOED

ATTEST 
CITY CLERK

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MAYOR HODGES APR 08 2015
DATE