

MINNEAPOLIS CITY COUNCIL OFFICIAL PROCEEDINGS

REGULAR MEETING OF SEPTEMBER 3, 2004

(Published September 11, 2004, in *Finance and Commerce*)

Council Chamber
350 South 5th Street
Minneapolis, Minnesota
September 3, 2004 - 9:30 a.m.

Council President Ostrow in the Chair.

Present - Council Members Niziolek, Benson, Goodman, Lane, Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, President Ostrow.

Lilligren moved acceptance of the minutes of the regular meeting held August 20, 2004. Seconded. Adopted upon a voice vote.

Lilligren moved referral of petitions and communications and reports of the City officers to the proper Council committees and departments. Seconded.

Adopted upon a voice vote.

PETITIONS AND COMMUNICATIONS

COMMUNITY DEVELOPMENT:

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269844)

Living Wage-Job Linkage Employment Report.

GRANTS AND SPECIAL PROJECTS (269845)

2003 Consolidated Annual Performance and Evaluation Report (2003 CAPER).

COMMUNITY DEVELOPMENT and WAYS & MEANS/BUDGET:

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269846)

2003 Annual Tax Increment Disclosure Report.

COMMUNITY DEVELOPMENT (See Rep):

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269847)

City of Lakes Care Center (619 E 17th St): Preliminary and final approval to issue up to \$5,000,000 in Tax-exempt 501c(3) Revenue bonds.

Ivy Tower Redevelopment Agreement: Amend agreement to extend time of performance.

Minnesota Indian Women's Resource Center: Approve loan restructure.

Many Rivers West: Final approval to issue up to \$2,900,500 in Tax-exempt Multifamily Housing Revenue Bonds.

Memorandum of Understanding Relating to Tax Forfeited Properties: Amendment to agreement with Hennepin County.

Heritage Park Master Development Agreement: Extend agreement and approve program management fee to McCormack Baron Salazar.

COMMUNITY DEVELOPMENT and TRANSPORTATION & PUBLIC WORKS and W&M/BUDGET (See Rep):

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269848)

Park Av E Tax Increment Finance Plan and Parking Ramp: Establish tax increment district and related plan modifications, Mill Quarter Municipal Parking Ramp financing, award of bid for parking ramp to Knutson Construction Services, Inc.

COMMUNITY DEVELOPMENT and WAYS & MEANS/BUDGET (See Rep):

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269849)

Target Center Arena Diffusers: Accept change order to contract with Gen Con Construction for additional diffusers.

Midtown Exchange Project: Restructured Finance Plan and authorize execution of documents.

North Washington Jobs Park: Increase contract with Earth Tech, Inc. for pollution remediation.

Stimson Building (700 Hennepin Av): Approve sale to Stimson RenoVentures, LLC.

GRANTS AND SPECIAL PROJECTS (269850)

Grant Contract for Phillips Park Initiative Phase II: Terminate agreement with the Metropolitan Council for Livable Communities Demonstration Account grant.

PUBLIC SAFETY AND REGULATORY SERVICES (See Rep):

ATTORNEY (269851)

Automated Enforcement of Red Semaphore Violations: Ordinance amending Title 18, Chapter 474 of Code relating to Traffic Code: Vehicle Operations, implementing automated traffic law enforcement for red light violations at certain intersections within City; w/attachment.

LICENSES AND CONSUMER SERVICES (269852)

Chatterbox Pub (2229 E 35th St): Approve license condition that all activities in the outdoor area be discontinued at 10:00 p.m. each night; w/attachments.

Licenses: Applications.

LICENSES AND CONSUMER SERVICES (269853)

Tonic of Uptown (1402 W Lake St): Refer to Office of Administrative Hearings request by licensee to modify Business Plan; and request by Licenses & Consumer Services to take adverse action against On-Sale Liquor Class B License for a hearing to be held before an Administrative Law Judge; w/attachments.

POLICE DEPARTMENT (269854)

2004 Local Law Enforcement Block Grant: Convey to federal government the required details of the public hearing held to receive comments on proposed categories for funding, including the date and number of residents in attendance.

PUBLIC SAFETY AND REGULATORY SERVICES and WAYS & MEANS/BUDGET (See Rep):

FIRE DEPARTMENT (269855)

Metro-Area Structural Collapse Technician Training: Accept reimbursement from Hennepin County (\$116,995.08) for costs incurred by Fire Department in providing training in May 2004; and Approve appropriation.

POLICE DEPARTMENT (269856)

2004 Law Enforcement Terrorism Prevention Program: Accept grant award of \$100,000 and execute grant agreement with Minnesota Department of Public Safety to purchase equipment for Police Department Bomb Unit for response to incidents involving hazardous materials; and Approve appropriation.

2004 Urban Areas Security Initiative Grant: Accept grant award of \$150,000 and execute grant agreement with Minnesota Department of Public Safety to purchase equipment for Bomb/Arson Unit for City and Statewide bomb disposal response; and Approve appropriation.

Safe & Sober Grant: Accept grant award of \$30,000 and execute grant agreement with Minnesota Department of Public Safety to pay overtime to Police Department Traffic Unit to increase enforcement to reduce accidents and increase driver safety; and Approve appropriation.

Minnesota Gang Strike Force: Receive \$124,700 and execute Gang Strike Force Grant Agreement with State of Minnesota to fund one captain position and partially support up to six officers to serve on Metro Gang Strike Force; and Approve appropriation.

TRANSPORTATION AND PUBLIC WORKS:

PUBLIC WORKS AND ENGINEERING (269857)

Application for Critical Parking Area: 3100 block of 28th Av S.

Application for Critical Parking Area: 3700 block of 29th Av S and 2800 block of 27th St E.

Block Event Ordinance Amendment: Public hearing set.

Water & Sewer Service Line Repairs: Assessment public hearing set.

Sidewalk Repair & Construction: Assessment public hearing set.

Quarterly Traffic Zones, Restrictions and Controls: Documentation (See Petn No 269728, dated 7/2/04).

TRANSPORTATION AND PUBLIC WORKS (See Rep):

PUBLIC WORKS AND ENGINEERING (269858)

Minnesota Pollution Control Agency (MPCA): Access agreement.

Lake Street (5th Av S to 21st Av S) Streetscape Petition: Base level streetscape petition from abutting property owners; and direction to staff to develop bids and construction improvements with Hennepin County.

I-35W/Hwy 62 Crosstown Commons Reconstruction Project: Resolution denying municipal approval and recommending modifications.

I-35W/Hwy 62 Crosstown Commons Reconstruction Project: Comments.

TRANSPORTATION AND PUBLIC WORKS and WAYS & MEANS/BUDGET (See Rep):

PUBLIC WORKS AND ENGINEERING (269859)

Property Services Leasing Activities: Resolution increasing appropriation and revenue to reimburse Property Services Operation Fund.

RFPs for Management of Municipal Parking System: Solicit proposals.

Bids: Resolution accepting: a) OP #6289, bid of CDS Technologies, Inc. to furnish stormwater treatment chambers; b) OP #6300, bid of Landwehr Construction, Inc. for construction of water treatment plant residual lagoons; and c) OP #6308, bid of Twin City Tile and Marble Company for removal of mosaic tiles and installation of granite pavers.

WAYS AND MEANS BUDGET:

COORDINATOR (269860)

New Central Library Project: Change management actions.

FINANCE DEPARTMENT (269861)

2005 Budget: Final Budget Schedule.

WAYS AND MEANS BUDGET (See Rep):

ATTORNEY (269862)

Legal Settlements: Approve settlements with Architectural Alliance and Cain Ouse, Inc.; Ahmed Ibrahim, Joshua Taylor and Alice Hayes.

BUSINESS INFORMATION SERVICES (269863)

Records Management Contract: Increase contract with The Records Link to continue services on Enterprise Content Management System.

Correction to Unisys Contract Amendment: Increase contract regarding Net Motion project.

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (269864)

Settlement for Acquisition of Properties for Heritage Park Project: Approve negotiated settlement terms and amounts for acquisition of properties at Summit Academy OIC and City View Apartments.

CONVENTION CENTER (269865)

Business Services: Contract with FedEx Kinkos to provide a business center.

HEALTH AND FAMILY SUPPORT SERVICES (269866)

Covering All Kids and Families Project: Accept funds from Children's Defense Fund for New Family Center services.

Women's Mental Health in the Perinatal Period: Submit grant application to National Institutes of Health.

ZONING AND PLANNING (See Rep):

PLANNING COMMISSION/DEPARTMENT (269867)

Appeals:

Greg Leonard, for Sabri Properties, LLC (re Karmel Plaza, 206 Elroy St & 2920-28 Pillsbury Ave S): Conditional use permit for farmer's market.

Whittier Alliance (re Karmel Plaza, 206 Elroy St & 2920-28 Pillsbury Ave S): Conditional use permit for dwelling units & site plan review.

Rezoning:

Basim Sabri (206 Elroy St & 2920-28 Pillsbury Ave S); Horty Investment Partnership, LLP (re 5th Avenue Gateway, 505 E Grant St, 1307 - 5th Ave S & 1321 - 5th Ave S.

Pillsbury A Mill Complex Project Environmental Impact Statement (vicinity between Main & 2nd Sts SE & 3rd & 6th Aves SE: Scoping Decision Document for the EIS.

FILED:

CITY CLERK (269868)

Auto Mart (4201 E Lake St and 501 W Lake St): Verbatim Transcript of Administrative Citation Hearing held before Hearing Officer Fabian Hoffner relating to citations issued for operating a used car additional lot without a Used Motor Vehicle Dealer's License.

CITY CLERK/SPECIAL PERMITS (269869)

2nd Av S, 1301 (Johmar Farms) donkey;

26th Av N between Irving & Morgan (Peace Foundation) pony rides;

Boom Island (Marcie Flynn) pony rides.

ELECTIONS DEPARTMENT (269870)

Citizen's Petition for Charter Amendment: Certificate of Sufficiency for petition filed by "Citizens Organized for Harm Reduction (C.O.H.R.) relating to medicinal marijuana distribution centers. (See IGR Report of 8/20/04)

FEERICK, RICHARD, M (269871)

Right-of-way acquisition practices: Comments.

ROBINS, KAPLAN, MILLER & CIRESI L.L.P. (269872)

911 Plan for Time Warner Cable Information Services (Minnesota), LLC.

The following reports were signed by Mayor Rybak on 9/9/04, unless noted otherwise. Minnesota Statutes, Section 331A.01, Subd 10, allows for summary publication of ordinances and resolutions in the official newspaper of the city.

REPORTS OF STANDING COMMITTEES

The **COMMUNITY DEVELOPMENT** Committee submitted the following reports:

Comm Dev - Your Committee, having under consideration a proposal by The City of Lakes Care Center to purchase a skilled nursing home facility known as the Walker Cityview at 618 E 17th St through the use of City of Minneapolis revenue bonds, now recommends passage of the accompanying resolutions giving preliminary and final approval to the issuance of up to \$5,000,000 in Tax-exempt 501(c)(3) Revenue Bonds for said project.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Resolution 2004R-382 giving preliminary approval to the issuance of up to \$5,000,000 in Tax-exempt 501(c)(3) Revenue Bonds for the City of Lake Care Center, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-382 By Goodman

Giving preliminary approval to a project under Minnesota Statutes, Sections 469.152 through 469.165 referring the Proposal to the Minnesota Department of Employment and Economic Redevelopment for approval, and authorizing preparation of necessary documents

Resolved by the governing body (the "Council") of the City of Minneapolis, Hennepin County, Minnesota (the "Issuer"), as follows:

Section 1. General Recitals.

a. The purpose of Minnesota Statutes, Sections 469.152 through 469.165 as amended, relating to municipal industrial development (the "Act"), as found and determined by the legislature, is to promote the welfare of the State of Minnesota (the "State") by the active promotion, attraction, encouragement and development of economically sound industry and commerce through governmental action to prevent, so far as possible, the emergence of blighted and marginal lands and areas of chronic unemployment.

b. Factors necessitating the active promotion and development of economically sound industry and commerce are the increasing concentration of population in the metropolitan areas and the rapidly rising increase in the amount and cost of governmental services required to meet the needs of the increased population and the need for development of land uses which will provide access to employment opportunities for such population.

Section 2. Description of the Project.

a. City of Lakes Care Center (the "Borrower"), a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") has proposed issuance of revenue obligations, in one or more series, in an amount not to exceed \$5,000,000 (the "Bonds"), to finance the cost of acquiring, equipping and renovating a 160-bed skilled nursing facility located at 618 East 17th Street in the jurisdiction of the Issuer, resulting in a 145-bed facility; funding a portion of the capitalized interest accruing on the obligations during the estimated acquisition and equipping period; funding a debt service reserve fund for the obligations and paying costs associated with the financing (the "Project").

b. The Project will be owned and operated by the Borrower.

Section 3. Recital of Representations Made by the Borrower.

a. The Issuer has been advised by representatives of the Borrower that: (i) conventional financing to pay the capital cost of the Project is available only on a limited basis and at such high costs of

borrowing that the economic feasibility of operating the Project would be significantly reduced; (ii) on the basis of information submitted to the Borrower and their discussions with representatives of area financial institutions and potential buyers of tax-exempt bonds, the Bonds could be issued and sold upon favorable rates and terms to finance the Project; (iii) the Borrower will experience a significant debt service cost savings through the issuance of the Bonds; and (iv) the Project would not be undertaken in its present form but for the availability of financing under the Act.

b. The Borrower has agreed to pay any and all costs incurred by the Issuer in connection with the issuance of the Bonds, whether or not such issuance is carried to completion.

c. The Borrower has represented to the Issuer that no public official of the Issuer has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

Section 4. Public Hearing.

a. A notice of public hearing was published in Finance & Commerce and the Star Tribune, the Issuer's official newspaper and a newspaper of general circulation, calling a public hearing on the proposed issuance of the Bonds and the proposal to undertake and finance the Project.

b. The Issuer has, on August 24, 2004, held a public hearing on the issuance of the Bonds and the proposal to undertake and finance the Project, at which all those appearing who desired to speak were heard and written comments were accepted.

Section 5. Findings. It is hereby found, determined, and declared as follows:

a. The welfare of the State and the Issuer requires the provision of necessary nursing home facilities so that adequate health care services are available to residents of the State and the Issuer at reasonable cost.

b. The Issuer desires to facilitate the selective development of the community and help to provide the range of services and employment opportunities required by the population. The Project will assist the Issuer in achieving those objectives; help to stabilize market valuation of the Issuer; help maintain a positive relationship between assessed valuation and debt; and enhance the image and reputation of the community.

c. On the basis of information made available to this Council by the Borrower it appears, and this Council hereby finds, that: (1) the Project constitutes properties, real and personal, used or useful in connection with a revenue producing enterprise within the meaning of Subdivision 2 of Section 469.153 of the Act; (2) the Project furthers the purposes stated in Section 469.152 of the Act; (3) the Project would not be undertaken but for the availability of financing under the Act and the willingness of the Issuer to furnish such financing; and (4) the effect of the Project, if undertaken, will be to: (i) encourage the development of economically sound industry and commerce, (ii) assist in the prevention of the emergence of blighted and marginal land, (iii) help prevent chronic unemployment, (iv) provide the range of service and employment opportunities required by the population, (v) help prevent the movement of talented and educated persons out of the State and to areas within the State where their services may not be as effectively used, (vi) promote more intensive development and appropriate use of land within the City, eventually to increase the tax base of the community; and (vii) provide adequate health care services to residents of the Issuer at a reasonable cost.

d. The Issuer acknowledges, finds, determines and declares that the provision of necessary nursing home facilities so that adequate health care services are available to residents of the State at a reasonable cost is a public purpose.

Section 6. Approval.

a. The Project and the Bonds are hereby given preliminary approval by the Issuer.

b. In accordance with Subdivision 3 of Section 469.154 of the Act, the City Finance Officer, or his designee, is authorized and directed to submit the proposal for the Project to the Department of Employment and Economic Development of the State ("DEED") requesting approval, and other officers, employees and agents of the Issuer are hereby authorized to provide DEED with such information as it may require.

c. The Borrower is hereby authorized to enter into such contracts, in their own names and not as agents of the Issuer, as may be necessary for the transactions described herein by any means available to them and in the manner they determine without advertisement for bids, but the Issuer will not be liable on such contracts.

Section 7. Limited Obligation. The Bonds, when and if issued for the Project, shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer. (There will, however, be a charge, lien or encumbrance on the Project, which is not an asset of the Issuer.) The Bonds, when and if issued, shall recite in substance that the Bonds and the interest thereon, are payable solely from revenues received from the Project and property pledged for payment thereof, and shall not constitute a debt of the Issuer.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Resolution 2004R-383 giving final approval to the issuance of up to \$5,000,000 in Tax-exempt 501(c)(3) Revenue Bonds for the City of Lake Care Center, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-383
By Goodman

Approving the issuance and sale of Health Care Revenue Bonds, Series 2004 (City of Lakes Care Center Project) and authorizing the execution of documents relating thereto.

Resolved by the governing body (the "Council") of the City of Minneapolis, Hennepin County, Minnesota (the "Issuer"), as follows:

Section 1. Recitals. It is hereby found, determined, and declared as follows:

a. Under Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act"), the Issuer is authorized and empowered to issue revenue obligations to finance or refinance all or any part of the costs of a project consisting of the refinancing of debt incurred with respect to, or acquisition and betterment of, health care facilities or facilities of organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and to refund bonds previously issued under the Act.

b. The Issuer has on August 24, 2004, held a public hearing on the proposed issuance of revenue obligations, in one or more series, in an amount not to exceed \$5,000,000 to undertake and finance a project described as follows:

Acquiring, equipping and renovating a 160-bed skilled nursing facility located at 618 East 17th Street in the jurisdiction of the Issuer, resulting in a 145-bed facility; funding a portion of the capitalized interest accruing on the obligations during the estimated acquisition and equipping period; funding a debt service reserve fund for the obligations and paying costs associated with the financing (the "Project").

c. Piper Jaffray & Co., the underwriter for the Bonds described below (the "Underwriter"), has requested that the Bonds be eligible for services provided by The Depository Trust Company, New York, New York ("DTC").

The following documents have been presented to this Council at this meeting and have been reviewed to the extent deemed necessary (the "Issuer Documents"):

i. a Loan Agreement, to be entered into between the Issuer and the Borrower (the "Loan Agreement"), pursuant to which the Borrower agrees to repay the loan of the proceeds of the Bonds in specified amounts and at specified times sufficient to pay in full when due the principal of, premium, if any, and interest on the Bonds. In addition, the Loan Agreement contains provisions relating to the payment by the Borrower of certain administrative and legal costs of the Issuer and indemnification, insurance, and other agreements and covenants which are required or permitted by the Act and which the Issuer and the Borrower deem necessary or desirable for financing the Project;

ii. an Indenture of Trust (the "Indenture"), to be entered into between the Issuer and U.S. Bank National Association, St. Paul, Minnesota, as trustee (the "Trustee"), pursuant to which the Issuer pledges and grants a security interest in all of its right, title, and interest in the Loan Agreement (except for certain rights to fees, reimbursement of certain costs and expenses and for indemnification) to the

Trustee. Under the Indenture, the Bonds and the interest on the Bonds shall be payable solely from the revenue pledged therefor and the Bonds shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation nor shall constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer other than the Issuer's interest in the Loan Agreement;

iii. Bond Purchase Agreement among the Issuer, the Borrower and the Underwriter (the "Bond Purchase Agreement") pursuant to which the Underwriter has offered to purchase the Bonds from the Issuer;

iv. P.I.L.O.T. Agreement between the Issuer and the Borrower pursuant to which the Borrower has agreed to make a payment in lieu of taxes to the Issuer; and

v. the form of the Bonds.

d. The following documents have been presented to the Council for approval (collectively hereinafter referred to as the "Borrower Documents"):

i. Mortgage Agreement, from the Borrower to the Trustee pursuant to which Borrower pledges its real and personal property as collateral to secure its obligations under the Loan Agreement; and

ii. Continuing Disclosure Agreement, between the Borrower and the Trustee.

Section 2. Findings. The Issuer finds, determines and declares that the provision of necessary health care facilities, so that adequate health care services are available to residents of the Issuer and the surrounding areas at reasonable costs, is a public purpose. The issuance and sale of the Health Care Revenue Bonds, Series 2004 (City of Lakes Care Center Project) (the "Bonds") by the Issuer, pursuant to the Act, is in the best interest of the Issuer, and the Issuer hereby determines to issue the Bonds and to sell the Bonds to the Underwriter pursuant to the Bond Purchase Agreement. The Issuer will loan the proceeds of the Bonds to the Borrower in order to finance the Project.

Section 3. The Bonds.

a. In order to provide for the financing of the Project, the Issuer hereby authorizes the issuance of the Bonds in the maximum principal amount of \$5,000,000, in one or more series, whether taxable or tax-exempt, with a maximum average interest rate of 10.00% per annum, and with a maximum maturity date of 30 years from the date of closing and delivery of the Bonds. The Bonds shall be in substantially the form prescribed in the Indenture and shall be dated, mature in the years and amounts, be subject to redemption prior to maturity, bear interest at rates specified in the Indenture and Bond Purchase Agreement and have such other details and provisions as therein specified.

b. The Issuer hereby authorizes and directs the execution of the Bonds in accordance with the terms of the Indenture, and hereby provides that the Indenture shall provide the terms and conditions, covenants, rights, obligations, duties and agreements of the owners of the Bonds, the Issuer and the Trustee as set forth therein.

c. The Bonds shall be revenue obligations of the Issuer, the proceeds of which shall be disbursed pursuant to the Indenture and the Loan Agreement, and the principal, premium and interest on the Bonds shall be payable solely from the proceeds of the Bonds and revenues derived from the Loan Agreement and the other sources set forth in the Indenture. The Bonds will be a special limited obligation of the Issuer.

d. The Bonds shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the Issuer be subject to any liability thereon. No holder of the Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the Issuer. The Bonds shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation. The Bonds will not constitute an indebtedness, a pecuniary liability, a moral or general obligation or a loan of the credit of the Issuer or a charge, lien or encumbrance, legal or equitable, against the Issuer's property, general credit or taxing powers.

e. The Bonds, when executed and delivered, shall contain a recital that they are issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions and things required by the laws of the State relating to the adoption of this Resolution, to the issuance of the Bonds 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 Bonds and precedent to the execution of the aforementioned documents have happened, exist and have been performed as so required by law.

Section 4. Approval and Execution of Documents and Certificates.

a. The Issuer Documents and the Bonds are approved in substantially the forms presented to the Council.

b. The City Finance Officer is hereby designated and is authorized and directed to execute, acknowledge, and deliver the Issuer Documents and the Bonds on behalf of the Issuer with such changes, insertions, and omissions therein as the Issuer's attorney may hereafter deem appropriate, such execution to be conclusive evidence of approval of such documents in accordance with the terms hereof.

c. The City Finance Officer is authorized and directed to execute and deliver all other documents which may be required under the terms of the Issuer Documents or the Bonds or by bond counsel, and to take such other action as may be required or deemed appropriate for the performance of the duties imposed thereby to carry out the purposes thereof.

d. The City Finance Officer and other officers of the Issuer are authorized to furnish to the Trustee, the Underwriter, the Borrower, and bond counsel certified copies of all proceedings and records of the Issuer relating to the Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

e. In the event that for any reason the City Finance Officer is unable to carry out the execution of any of the documents or other acts provided herein, any other officer of the Issuer or member of its Council as in the opinion of the Issuer's attorney, are authorized to act in that capacity and undertake such execution or acts on behalf of the Issuer, shall without further act or authorization execute and deliver the Bonds and do all things and execute all instruments and documents required to be done or executed by such officers, with full force and effect, which executions or acts shall be valid and binding on the Issuer.

f. The officers of the Issuer, attorneys, and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the aforementioned documents, and the Bonds for the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds, the aforementioned documents and this Resolution.

Section 5. Appointment of Bond Registrar. The Trustee is hereby appointed as paying agent, bond registrar, authenticating agent and transfer agent for the Bonds.

Section 6. Official Statement. The Issuer has not participated in the preparation of the Preliminary Official Statement or the Official Statement relating to the Bonds (collectively, the "Official Statement"), and has made no independent investigation with respect to the information contained therein, including the Appendices thereto, and the Issuer assumes no responsibility for the sufficiency, accuracy or completeness of such information. Subject to the foregoing, the Issuer hereby consents to the distribution and the use by the Underwriter in connection with the sale of the Bonds of the Official Statement in the form on file with the Issuer. The Official Statement contains the sole materials consented to by the Issuer for use in connection with the offer and sale of the Bonds.

Section 7. Covenants; Limitations.

a. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and the aforementioned the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the Issuer. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or its Council by the provisions of this Resolution or of the aforementioned documents shall be exercised or performed by the Issuer or by such members of the Issuer, or such officers thereof as may be required or authorized by law to exercise such powers and to perform such duties.

b. No covenant, stipulation, obligation or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Issuer, or any officer, agent or employee of the Issuer in that person's individual capacity, and neither the Issuer nor any officer or employee executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

c. No provision, covenant or agreement contained in the aforementioned documents, the Bonds or in any other document related to the Bonds, and no obligation therein or herein imposed upon the Issuer or the breach thereof, shall constitute or give rise to any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in such documents, the Issuer has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement or other sources set forth in the Indenture which are to be applied to the payment of the Bonds, as provided therein and in the Indenture.

d. Except as herein otherwise expressly provided, nothing in this Resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Issuer or any owner of the Bonds issued under the provisions of this Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, this Resolution, the aforementioned documents and all of their provisions being intended to be and being for the sole and exclusive benefit of the Issuer and any owner from time to time of the Bonds issued under the provisions of this Resolution.

Section 8. Severability. In case any one or more of the provisions of this Resolution, or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, or of the aforementioned documents, or of the Bonds, but this Resolution, the aforementioned documents, and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 9. Program Bonds. The Bonds are hereby designated "Program Bonds" and are determined to be within the "Health Care 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.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev - Your Committee, having received an update on the Ivy Tower project and having been informed that the project redeveloper has requested additional time to put in place plans to modify use of the Ivy Tower from office space to hotel/housing, now recommends that the Redevelopment Agreement with Ivy Tower Minneapolis, LLC be amended by extending the time of the Developer's Performance and Conditions Precedent to City Acquisition from August 31, 2004 to May 31, 2005 (9 months).

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev - Your Committee, having under consideration a request from the Minnesota Indian Women's Resource Center for deferment of their renovation loan on their facility at 2300 15th Av S based on current financial hardship and with a plan in place to bring them to financial stability, now recommends approval of the proposed restructuring of the Community Economic Development Fund (CEDF)/Community Development Block Grant (CDBG) loan (#AA910002) with an original balance of \$150,000 and that the proper City officers be authorized to execute all necessary documents to effectuate said restructuring.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev - Your Committee, having under consideration the Many Rivers West Project and a request for City of Minneapolis revenue bonds for first mortgage financing for the project and having been informed that the initial resolution authorizing said revenue bonds requires corrections, now recommends passage of the accompanying resolution granting final approval to the issuance of up to \$2,900,500 in Tax-exempt Multifamily Housing Development Bonds for the Many Rivers West project.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Resolution 2004R-384 giving final approval to the issuance of up to \$2,900,500 in Tax-exempt Multifamily Housing Development Bonds for the Many Rivers West Project, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-384
By Goodman

Relating to the City of Minneapolis, Minnesota Multifamily Housing Revenue Bond (Many Rivers West Project) Series 2004; authorizing the issuance thereof pursuant to Minnesota Statutes, Chapter 462C.

Resolved by The City Council of The City of Minneapolis, Minnesota (the "City"), 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:

"Act" means Minnesota Statutes, Chapter 462C, as amended;

"Agreement" means the Loan Agreement to be entered into among the City and the Borrower relating to the Bond;

"Assignment" means the Assignment of Mortgage from the City to the Holder relating to the Bonds;

"Bond" means the Multifamily Housing Revenue Bond (Many Rivers West Project), Series 2004 to be issued by the City pursuant to this resolution in the principal amount of up to \$2,900,500;

"Bond Documents" means the Agreement, the Regulatory Agreement, the Pledge Agreement, the Assignment and the Bond;

"Borrower" means Many Rivers West Limited Partnership, a Minnesota limited partnership, its successors and assigns;

"Holder" means U.S. Bank National Association, as holder of the Bond, and its successors and assigns;

"Pledge Agreement" means the Pledge Agreement to be entered into among the City and the Holder relating to the Agreement and the Bond;

"Project" means the multifamily housing development to be financed with the proceeds of the Bond, as further defined in the Agreement;

"Regulatory Agreement" means the Regulatory Agreement to be entered into among the City, the Holder and the Borrower relating to the Project;

"Resolution" means this resolution of the City.

Section 2. Findings.

2.01. It is hereby found and declared that:

(a) based upon representations made to the City by representatives of the Borrower as to the nature of the Project as described in the Agreement, the Project constitutes a project authorized by the Act;

(b) the purpose of the Project is and the effect thereof is to promote the provision of decent, sanitary and safe housing accommodations for low and moderate income persons;

(c) the financing of the Project, the issuance and sale of the Bond, the execution and delivery of the Bond Documents and the performance of all covenants and agreements of the City contained in the Bond Documents and of all other acts and things required under the charter of the City and the Constitution

and laws of the State of Minnesota to make the Bond Documents valid and binding obligations of the City in accordance with their terms are authorized by the Act;

(d) it is desirable that the Bond be issued by the City upon the terms set forth herein and that the City pledge its interest in the Agreement and grant a security interest therein to the Holder as security for the payment of the principal of, premium, if any, and interest on the Bond;

(e) the loan payments contained in the Agreement are fixed and are required to be revised from time to time as necessary, so as to produce income and revenue sufficient to provide for prompt payment of the principal of, premium, if any, and interest on the Bond when due, and the Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but not limited to, adequate insurance thereon and all taxes and special assessments levied upon or with respect to the Project and payable during the term of the Agreement;

(f) under the provisions of the Act, the Bond is not to be payable from nor charged upon any funds of the City other than the revenue pledged to the payment thereof; the City is not subject to any liability thereon; no Holder of the Bond shall ever have the right to compel any exercise of the taxing power of the City to pay the Bond or the interest thereon nor to enforce payment thereof against any property of the City; the Bond, premium, if any, and interest thereon shall not constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory limitation and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers and shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City other than its interest in the Project;

(g) the execution and delivery of the Bond Documents shall not conflict with or constitute, on the part of the City, a breach of or a default under any existing agreement, indenture, mortgage, lease or other instrument to which the City is subject or is a party or by which it is bound; provided that this finding is made solely for the purpose of estopping the City from denying the validity of the Bond Documents by reason of the existence of any facts contrary to this finding;

(h) no litigation is pending or, to the best knowledge of the members of this City Council, threatened against the City questioning the organization of the City or the right of any officer of the City to hold his or her office or in any manner questioning the right and power of the City to execute and deliver the Bond or otherwise questioning the validity of the Bond or the execution, delivery or validity of the Bond Documents or questioning the pledge of revenues to payment of the Bond or the right of the City to loan the proceeds of the Bond to the Borrower;

(i) all acts and things required under the Constitution and the laws of the State of Minnesota to make the Bond Documents the valid and binding obligations of the City in accordance with their terms shall have been done upon adoption of this Resolution and execution of the Documents; provided that this finding is made solely for the purpose of estopping the City from denying the validity of the Bond Documents by reason of the existence of any facts contrary to this finding; and

(j) the City is duly organized and existing under the Constitution and the laws of the State of Minnesota and is authorized to issue the Bond in accordance with the Act.

Section 3. Authorization and Sale.

3.01. Authorization. The City is authorized by the Act to issue revenue bonds and loan the proceeds thereof to finance the acquisition, construction and installation of facilities constituting a "multifamily housing development" as defined in the Act, and to make all contracts, execute all instruments and do all things necessary or convenient in the exercise of such authority.

3.02. Approval of Documents. Pursuant to the foregoing, there have been prepared copies of the following documents, all of which are now or shall be placed on file in the office of the Minneapolis Community Planning and Economic Development Department:

- (a) the Agreement;
- (b) the Pledge Agreement;
- (c) the Bond;
- (d) the Regulatory Agreement; and
- (e) the Assignment.

The forms of the documents listed above are approved, with such variations, insertions and additions as are deemed appropriate by the parties and approved by the City.

Section 4. Authorizations.

4.01. Upon the completion of the Bond Documents approved in Section 3.02 hereof and the execution thereof by the other parties thereto, the Finance Officer (or Assistant Finance Officer) shall execute the same on behalf of the City, and the foregoing person and other officers of the City shall execute such other certifications, documents or instruments as bond counsel shall require, subject to the approval of the City, and all certifications, recitals and representations therein shall constitute the certificates, recitals and representations of the City. Execution of any instrument or document by one or more appropriate officers of the City shall constitute and shall be deemed the conclusive evidence of the approval and authorization by the City and the City Council of the instrument or document so executed.

Section 5. The Bond.

5.01. Form and Authorized Amount. The Bond shall be issued substantially in the form described above with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. The terms of the Bond are set forth therein, and such terms, including, but not limited to, provisions as to interest rate, dates and amount of payment of principal and interest and prepayment privileges, are incorporated by reference herein. The initial interest rate on the Bond (until the Tender Date as defined in the Bond) shall not exceed an annual rate of 7.00%.

5.02. Execution. The Bond shall be executed on behalf of the City by the persons described in Section 4.01 hereof. In case any officer whose signature shall appear on the Bond shall cease to be such officer before the delivery thereof, such signature shall, nevertheless, be valid and sufficient for all purposes.

5.03. Delivery and Use of Proceeds. Prior to delivery of the Bond, the documents referred to in Section 3.02 hereof shall be completed and executed in form and substance as approved by the City. The City shall thereupon deliver to the holder the Bond together with a certified copy of this Resolution and such closing certificates as are required by bond counsel.

Section 6. Limitations of the City's Obligations.

6.01. Notwithstanding anything contained in the Bond Documents, the Bond, premium, if any, and interest thereon shall not constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory limitation and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than its interest in the Project, and no Holder of the Bond shall ever have the right to compel any exercise of the taxing power of the City to pay the Bond or the interest thereon or to enforce payment thereof against any property of the City other than its interest in the Project. The agreement of the City to perform the covenants and other provisions contained in this Resolution or the Bond Documents 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 City nor any of its officers, employees or agents shall be subject to any personal or pecuniary liability thereon.

Section 7. City Representative.

7.01. The Finance Officer or Assistant Finance Officer of the City is hereby designated and authorized to act on behalf of the City for purposes of the Bond Documents.

Section 8. Governmental Program.

8.01. The 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.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev - Your Committee, having under consideration a Memorandum of Understanding (MOU) with Hennepin County that relates to the treatment of tax-forfeited properties and having received City staff's recommendation to incorporate amendments into the agreement (as included in Petn No 269847), now recommends that the proper City officers be authorized to execute Amendment #1 to the MOU between the Minneapolis Community Development Agency (MCDA) and Hennepin County regarding the disposition of tax forfeited parcels.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev - Your Committee, having under consideration the Heritage Park Project and a Master Development Agreement with McCormack Baron Salazar (MBS), now recommends that said agreement be extended to June 3, 2004 relative to Phase III of said development and that program management fees in the amount of \$78,000 be paid to MBS for activities performed related to Heritage Park Phase III rental.

Adopted 9/3/04.

Absent - Johnson, Zerby.

The **COMMUNITY DEVELOPMENT, TRANSPORTATION & PUBLIC WORKS** and **WAYS & MEANS/BUDGET** Committees submitted the following report:

Comm Dev, T&PW and W&M/Budget - Your Committee, having under consideration development plans for Parcel D East (between Park Av and Chicago Av and Washington Av and 2nd St S) and the establishment of the Park Avenue East Tax Increment Financing District and related plan modifications, parking ramp financing and award of bids for the Mill Quarter Municipal Ramp, now recommends:

a) Passage of the accompanying resolution adopting the Park Avenue East Tax Increment Finance (TIF) Plan, Modification #19 to the Industry Square Redevelopment Plan and Modification #100 to the Common Plans;

b) Award of the low bid, including deductive bid alternate No. 1, for the Mill Quarter Municipal Ramp (OP #6924) to Knutson Construction Services, Inc. in the amount of \$4,848,000;

c) Passage of the accompanying resolution authorizing the issuance of General Obligation Tax Increment Bonds in a principal amount not to exceed \$4,250,000 for said parking ramp project;

d) Passage of the accompanying resolution increasing the appropriation for the Public Works Transportation Capital Agency (and revenue source) to reflect the bond funding; and

e) That the proper City officers be authorized to execute a construction contract and other agreements necessary to implement said actions.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Approved by Mayor Rybak 9/7/04.

(Published September 8, 2004)

Resolution 2004R-385 adopting the Park Avenue East Tax Increment Finance Plan, Modification No. 19 to the Industry Square Redevelopment Plan and Modification No. 100 to the Common Plans, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-385
By Colvin Roy and Johnson

Adopting the Park Avenue East Tax Increment Finance (TIF) Plan, Modification No 19 to the Industry Square Redevelopment Plan, and Modification 100 to the Common Plans

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 ("CPED"), has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing 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 That by Resolution duly adopted on August 31, 1973 and subsequent resolutions, the City approved the creation of the Industry Square Redevelopment Project and the adoption of the Industry Square Redevelopment Plan, as modified.

- 1.3 That by Resolution No 1989R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City approved the Common Development and Redevelopment and TIF Plans (the "Common Plans") creating the Common Development and Redevelopment Project and the Common TIF District (collectively, the "Common Project"). The geographical area of the Industry Square Redevelopment Project (the "Project Area") is included within the Common Project. The parcels included in the proposed new Park Avenue East TIF District will remain within the existing Industry Square Project Area, however, the new Park Avenue East TIF District is not being incorporated into the Common Project. Rather, it is intended to be a freestanding TIF district and will not be subject to the existing Common Project obligations and commitments.
- 1.4 That by Resolution No 1998R-026 duly adopted on February 6, 1998, the City approved Modification Nos 9 and 10 to the Industry Square Redevelopment Plan, and Modification No 53 to the Common Plans, which established the West Side Milling District TIF District and Hazardous Substance Subdistrict, identified a budget for expenditures, and designated property that may be acquired, all pursuant to and in accordance with the Project Laws.
- 1.5 That by Resolution No 2001R-025 duly adopted on February 2, 2001, the City approved Modification No 1 to the West Side Milling District TIF Plan, among other related modifications to the Common Plans and the Industry Square Redevelopment Plan, which modifications enlarged the West Side Milling District TIF District boundary, authorized public redevelopment activity necessary to assist with the proposed continuing development and redevelopment within the West Side Milling District TIF District, deleted parcels from an existing TIF district (#9), and established a budget for public expenditures, all pursuant to and in accordance with the Project Laws.
- 1.6 That by Resolution No 2003R-245 duly adopted on June 6, 2003, the City approved Modification No 2 to the West Side Milling District TIF Plan which modification permitted the deletion of property from West Side Milling District TIF District (# 86), the adjustment of the budget, and adjustment of the bonded indebtedness. Portions of the property deleted from the West Side Milling District TIF District by that action are included in the proposed new Park Avenue East TIF District.
- 1.7 CPED has caused to be prepared, and this Council has investigated the facts with respect to, a proposed Modification No 19 to the Industry Square Redevelopment Plan, the Park Avenue East TIF Plan, and Modification 100 to the Common Plans, authorizing the creation of a new TIF district (collectively, the "Plans").
- 1.8 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 groups 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 after published and mailed notice as required by law.
- 1.9 The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Plans to reflect project activities and costs in the Project Area and Park Avenue East TIF District (the "TIF District").

Section 2. Findings for the Adoption of the Plans

- 2.1 The Council hereby finds, determines and declares that the TIF District is a redevelopment district pursuant to Minnesota Statutes, Section 469.174, Subdivision 10 (a)(2). The proposed TIF District is located within the Industry Square Project Area, in accordance with the provisions of Minnesota Statutes Sections 469.001 through 469.047.
- 2.2 The Council further finds, determines and declares that the use of tax increment financing is deemed necessary as the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and 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 increments for the maximum duration of the district permitted by the TIF plan. Because it is the opinion of the City of Minneapolis that the proposed project to be financed, in part, by this TIF District would not occur solely through private investment at this time, the City projects that the estimated market value of the site without the use of tax increment would remain at its present level. The calculations necessary to pass this test are contained in the TIF Plan on page 11. As shown, the public redevelopment activity,

expenditures, and market values associated with the redevelopment that is proposed in the TIF Plan results in a series of calculations and figures that clearly pass the market value test. It is therefore the opinion of the City of Minneapolis that the development in this TIF District could not occur solely through private investment within the foreseeable future. The provision of public parking and other infrastructure has created a financing gap for the project. Tax increment financing is essential to closing the financing gap in helping the City reach its development goals. The public parking ramp will provide required parking for the adjacent historic museum, the office and retail components, other potential parking, and will help to alleviate daytime parking shortages in the surrounding area.

- 2.3 The Council hereby 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 by private enterprise, as the proposed redevelopment removes blight and blighting influences, as the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way. The proposed TIF District was formerly railroad right-of-way property, which as been vacated and subsequently used for surface parking. The property is tax exempt and has not paid taxes or generated any tax increment revenue for the past several years. Multiple proposals have been presented over the past number of years, but the proposals were found to be financially infeasible. Documentation supporting these findings is on file in the office of the Development Finance Division, Crown Roller Mill, 105 5th Avenue South, Minneapolis, Minnesota.
- 2.4 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 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.
- 2.5 The Council further finds, determines and declares that the entire fiscal disparity contribution required of the City for development occurring within this TIF District be taken from outside the TIF District. The election provided in the Minnesota Statutes Section 469.177, Subdivision 3, paragraph (a) is elected.
- 2.6 The Council further finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plans.
- 2.7 The Council hereby finds, determines and declares that the objectives and actions authorized by the Plans are consistent with the undertaking of a redevelopment project area and redevelopment TIF district, all pursuant to and in accordance with the Project Laws.

Section 3. Approval of the Plans; Creation of TIF District

- 3.1 Based upon the findings set forth in Section 2, the Park Avenue East TIF Plan, Modification No 19 to the Industry Square Redevelopment Plan, and Modification 100 to the Common Plans, creating the Park Avenue East TIF District 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 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, resolutions, documents and contracts necessary for this purpose.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Approved by Mayor Rybak 9/7/04.

Resolution 2004R-386 authorizing the issuance of up to \$4,250,000 in General Obligation Tax Increment Bonds for the Park Avenue East District, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-386
By Colvin Roy and Johnson

Authorizing the sale and issuance of the General Obligation Tax Increment Bonds, Series 2004, in the original principal amount of up to \$4,250,000; providing the form and terms of the obligations, pledging certain tax increment revenues, and making certain findings, covenants, and directions relating to such obligations

Resolved by The City Council of The City of Minneapolis:

Section 1. Authorization, Findings and Definitions

1.01. Prior Project Modifications. Pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "Redevelopment Act"), the City of Minneapolis (the "City") established the Industry Square Redevelopment Project Area (the "Industry Square Project") and adopted the Industry Square Redevelopment Plan (the "Industry Square Plan") to provide for the public redevelopment activity necessary to assist with a mixed use project proposed in the riverfront area of downtown Minneapolis. Pursuant to Minnesota Statutes, Section 469.174 through 469.179, as amended (the "Tax Increment Act"), the City established the boundaries of the West Side Milling District Project (the "West Side Project") and created the West Side Milling District Tax Increment Financing and Hazardous Substance Subdistrict Plan (the "West Side Plan") to provide for public redevelopment activities including rehabilitation of historic buildings and development of a historic interpretive center. The City incorporated the Industry Square Project into the Common Project area (the "Common Project") pursuant to the terms of the Common Development and Redevelopment Plan and Common Tax Increment Finance Plan (the "Common Plan") to provide for the public redevelopment of the Common Project.

The City has adopted Modification No. 100 to the Common Project and the Common Plan and Modification No. 19 to the Industry Square Plan to authorize the creation of a new redevelopment tax increment financing district, designated the Park Avenue East TIF District (the "District"), within the Industry Square Project but not within the Common Project, and thus not subject to the obligations of the Common Project. A portion of the property within the District was previously part of the West Side Project, prior to the City's modification of the West Side Plan on June 6, 2003, in which certain properties were deleted from the West Side Project.

1.02. Park Avenue East TIF District. The parcels included in the District are described as Lots 1 and 2, Block 1, New Mills District Second Addition, with boundaries shown in the Plan. The District contains vacated railroad right-of-way property, and as such qualifies as a redevelopment district as defined in Section 469.174, subdivision 10(a)(2), of the Tax Increment Act (defining a redevelopment TIF district as a project found by resolution of the authority to have one or more of the following conditions, including "vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights of way" reasonably distributed throughout the district).

The District will facilitate the construction of a parking ramp structure (the "Ramp") on a portion of the property that was removed from the West Side Project, construction of the Park Avenue East Lofts, comprised of a 38-unit luxury condominium development with parking under the building (the "Condominiums"), and future development of lands around and adjacent to the Ramp. The Ramp will contain approximately 324 stalls, including approximately 244 stalls dedicated to public parking (the "Public Parking") and approximately 80 stalls, located on the first floor of the Ramp, dedicated to parking for certain nearby apartment units expected to be constructed on lands around and adjacent to the Ramp (the "Private Parking"). Tax increment revenues generated by the District, as well as net parking revenues of the Ramp, will be applied to the payment of the debt service on general obligation tax increment bonds issued by the City to construct the Ramp. In addition, during the 2002 legislative session, the Minnesota Legislature adopted legislation granting \$2,600,000 to the City to support the construction of the Ramp.

1.03. The Tax Increment Finance Plan. In order to provide for the development of the Ramp in the District and to finance the capital and administration costs and public redevelopment costs with respect to the Ramp, the City is proposing to issue general obligation bonds in the original aggregate principal

amount not to exceed \$4,250,000 (the "Bonds"). The proceeds derived from the sale of the Bonds will be applied to the payment of public redevelopment costs with respect to the Ramp and the payment of the costs of issuing the Bonds. Payment of the principal of, premium, if any, and interest on the Bonds will be secured by the full faith and credit of the City and, to the extent necessary for this purpose, the City will levy taxes on all taxable property in the City without limitation as to rate or amount. The Bonds are expected to be paid from: (i) net revenues derived from the Ramp; and (ii) tax increment revenues derived from the District (the "Tax Increment Revenues").

1.04. Authority. The City is authorized to issue the Bonds to provide permanent financing for the Project and to apply the Tax Increment Revenues and other revenues to the payment thereof under Section 469.178 of the Tax Increment Act and Minnesota Statutes, Chapter 475, as amended (the "Act"). Pursuant to the terms of Section 475.58, subdivision 1, of the Act, no election is required because the City Council has determined, and hereby affirms, that not less than twenty percent of the public redevelopment costs for the development in the District is estimated to be received from the Tax Increment Revenues.

1.05. Definitions. Unless the context otherwise requires, the terms defined in Section 1.01-1.04 of this Resolution and in this Section 1.05 shall, for all purposes of this Resolution and any resolution supplemental hereto, have the meanings herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

"Act" means Minnesota Statutes, Chapter 475, as amended.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

"District" means the tax increment financing district described in the City's Park Avenue East Tax Increment Finance Plan.

"Holder", "Bondholder" or "owner" means the person in whose name a Bond is registered.

"Letter of Representations" means the Blanket Letter of Representations from the City to Depository Trust Company, New York, New York.

"Resolution" means this resolution authorizing the issuance of the Bonds, as this resolution may be amended or supplemented from time to time.

Section 2. Terms and Form of Bonds.

2.01. Bond Terms. It is hereby determined to be necessary and expedient to issue the Bonds to finance the costs referred to in Section 1.03 of this Resolution. The Bonds shall be designated "General Obligation Tax Increment Bonds," shall be issued in one or more series as the Finance Officer may determine, and shall be assigned a separate series designation determined by the Finance Officer for each series issued by the City. The Bonds shall be dated on October 1, 2004, or such other date as the Finance Officer may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar may determine. The Bonds shall be issued in the original aggregate principal amount of \$4,250,000, or such lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the costs of the Ramp for which the Bonds are to be issued. The Bonds shall bear interest at the rates per annum approved by the Finance Officer in connection with the sale thereof, payable semiannually on August 1 and February 1 of each year, or such other dates determined by the Finance Officer, commencing on February 1, 2005, or such other date determined by the Finance Officer, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Act (determined, if necessary, by combining such maturities with those of other Bonds of the City). The Finance Officer may determine to designate any portion of the principal of the Bonds to be combined within one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Finance Officer.

The Finance Officer shall establish a date on and after which all Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption of the Bonds shall be at such redemption prices, with or without premium, as the Finance Officer shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the amended finance plan pursuant to which the Bonds are to be issued.

Thirty days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Act. In the event of a partial redemption by lot of Bonds, the Bond Registrar shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Finance Officer shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

2.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as initial Bond Registrar and Paying Agent, or at the offices of such other successor agents as the City may hereafter designate upon sixty days' mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

2.03. Bond Form. The Bonds shall be in substantially the following form with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Finance Officer may determine, to-wit:

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(Form of Bonds)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

No. R- _____

\$ _____

CITY OF MINNEAPOLIS

GENERAL OBLIGATION TAX INCREMENT BOND
SERIES 2004

Interest Rate

Maturity

Date of Original Issue

CUSIP

Registered Owner:

Principal Amount:

The City of Minneapolis (the "City"), in the County of Hennepin and State of Minnesota, for value received, hereby certifies that it is indebted and hereby promises to pay to the registered owner named above or registered assigns, the principal amount specified above on the maturity date specified above, upon the presentation and surrender hereof, and to pay to the registered owner hereof interest on such principal sum at the interest rate specified above from _____, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on _____ 1 and _____ 1 of each year, commencing _____, until said principal sum is paid. Interest shall be computed on the basis of a 360-day year consisting of twelve thirty-day months. Principal and the redemption price is payable in lawful money of the United States of America at the office of the Finance Officer in Minneapolis, Minnesota, as Bond Registrar and Paying Agent, or at the office of such successor agents as the City may designate upon sixty days' notice to the respective registered owners at their registered addresses. At the written request of the registered owner thereof, payment of at least \$100,000 in principal amount of Bonds of this series shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender thereof. Interest shall be paid on each interest payment date by check or draft mailed to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month preceding each interest payment date (whether or not a business day) at the registered owner's address set forth on the registration books maintained by the Bond Registrar or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of the Bonds of this series, by wire transfer of immediately available funds to any bank in the continental United States. Any such interest not punctually paid or provided for will cease to be payable to the person in whose name this Bond is registered on such regular record dates and such defaulted interest may be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Bond Registrar.

This Bond is one of a series of Bonds all of like date and tenor except for number, interest rate, denomination date of maturity, and redemption privilege, and is issued pursuant to and in accordance with Minnesota Statutes, Sections 469.174 to 469.1799, as amended, and Minnesota Statutes, Chapter 475, as amended (the "Act"), for the purpose of financing and refinancing the capital and administration costs and public redevelopment costs for the development and redevelopment of a portion of the downtown area of the City.

The Bonds of this series are expected to be paid primarily from collections of tax increment revenues from a tax increment financing district and certain other revenues which may be deposited in the Debt Service Account for the Bonds pursuant to the terms of the resolution authorizing the issuance of the Bonds (the "Bond Resolution"). Such use of tax increment revenues is subordinate to any prior obligations of the City to which such tax increment revenues have been pledged (and which pledge does not recognize or permit parity claims or uses of such tax increment revenues) and such deposit shall be made only to the extent such tax increment revenues are available therefor; but the full faith and credit of the City has been and is hereby pledged to the full and prompt payment of the principal of and interest on the Bonds, and the City Council is obligated to levy ad valorem taxes on all taxable property in the City without limitation as to rate or amount, if necessary, to pay principal and interest when due. The City may pledge or apply such tax increment revenues to existing or future obligations of the City on a parity or priority basis with the Bonds.

Reference is hereby made to the Act and to the Bond Resolution for a description of the tax increment revenues and the other revenues that are expected to pay the debt service on the Bonds of this series. Reference is hereby made to the Act and to the Bond Resolution for a description of the nature of the security thereby created, the rights and limitation of the rights of the City and bondholders with respect thereto, and covenants of the City as to the application of the proceeds of the Bonds of this series and the security for the Bonds and interest thereon.

All Bonds maturing on or after _____, are subject to redemption at the option of the City, in whole or in part in such order as the City may determine, on _____, and any date thereafter at a redemption price equal to par plus accrued interest to the redemption date [plus the redemption premium set forth in the following table].

[Redemption Premium Table, if applicable]

Thirty days' notice of prior redemption will be given by mail to registered owners in the manner provided by applicable provisions of the Act.

This Bond is transferable, as provided in the Bond Resolution, only upon books of the City kept at the office of the Bond Registrar by the registered owner hereof in person or by the registered owner's duly authorized attorney, upon surrender of this Bond for transfer at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by, the registered owner hereof or the registered owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of the series of the same principal amount, maturity and interest rate will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount maturing in any one year. As provided in the Bond Resolution and subject to certain limitations therein set forth, the Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series of different authorized denominations, as requested by the registered owner or the registered owner's duly authorized attorney, upon surrender thereof to the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in regular and due time, form, and manner as required by law; and that this Bond, and the series of which it is a part, is within every applicable debt and other limit prescribed by the Constitution and laws of the State of Minnesota and the Charter of the City.

This Bond shall not be valid or become obligatory for any purpose until the Registration and Authentication Certificate hereon shall have been signed by the Bond Registrar.

(The remainder of this page is intentionally left blank.)

In witness whereof, the City, acting by and through its City Council, has caused this Bond to be executed with the manual or facsimile signature of its Finance Officer and a facsimile of the corporate seal of said City to be imprinted hereon, all as of the Date of Original Issue specified above.

Dated: _____

CITY OF MINNEAPOLIS, MINNESOTA

(SEAL)

By _____
Finance Officer

Bond Registrar's Registration and Authentication Certificate

This is one of the Bonds described in the within mentioned Bond Resolution and has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Finance Officer of the City of Minneapolis.

Finance Officer, as Bond Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Please Insert Social Security Number or
Other Identifying Number of Assignee.

Notice: The signature to this assignment
must correspond with the name as it
appears on the face of this Bond in
every particular, without alteration or
any change whatever.

Signature Guaranteed:

Signatures must be guaranteed by a national bank or trust company, or by a brokerage firm which is a member of a major stock exchange.

2.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the

Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

2.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall forthwith cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner, if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

2.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

2.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name the same for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

2.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 2.01 through 2.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Letter of Representation is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 3. Execution and Delivery of Bonds and Other Documents.

3.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Finance Officer under Section 475.60, subdivision 1, of the Act; provided that each series of Bonds shall be sold only at a price of not less than ninety-eight percent of the principal amount of such series of Bonds, and the Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as it may deem

necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount and any unused issuance costs shall be deposited in the Debt Service Account or applied to such other purposes as determined to be appropriate by the Finance Officer.

3.02. Bonds. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Act.

3.03. Official Statement. The Finance Officer shall cause an Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Official Statement"), and the use thereof by the purchasers is approved.

3.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the actual knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Mayor, City Clerk and Finance Officer[do you need all 3?] shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds, together with an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Code and the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

Section 4. Application of Proceeds; Redemption of Temporary Bonds.

4.01. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) any accrued interest shall be deposited in the Debt Service Account; (ii) an amount sufficient to pay the capital and administration costs and public redevelopment costs for the development of the Ramp in the District shall be set aside and applied to such purpose; and (iii) an amount sufficient to pay the costs of issuing the Bonds shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to purposes of the City determined and designated by the Finance Officer.

Section 5. Covenants of The City.

5.01. Debt Service Account. There is hereby established a separate Debt Service Account for payment of principal of, premium, if any, and interest on the Bonds. To the extent deemed appropriate and in the best interests of the City, the City will apply the Tax Increment Revenues and other revenues described in Section 1 of this Resolution to the payment of the principal of and interest on the Bonds. The Finance Officer shall deposit in the Debt Service Account, from amounts in the accounts which shall be or have heretofore been created for the deposit of Tax Increment Revenues and other revenues to be applied to payment of the Bonds, such Tax Increment Revenues and other revenues as are deemed appropriate and necessary to pay the principal of and interest on the Bonds when due; provided that such use of Tax Increment Revenues is subordinate to any prior obligations of the City to which the Tax Increment Revenues have been pledged (and which pledge does not recognize or permit parity claims or parity uses of such Tax Increment Revenues) and such deposit shall be made only to the extent such Tax Increment Revenues are available therefor. The City may pledge or apply the Tax Increment Revenues to existing or future obligations of the City on a parity or priority basis with the Bonds.

5.02. Pledge of Full Faith and Credit; Tax Levies. The full faith and credit of the City are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, when due. It is hereby estimated that the Tax Increment Revenues and other revenues to be applied to the payment of the Bonds under Section 5.01 will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds, but the City shall levy, in addition to all other taxes, a direct tax on all taxable property in the City, without limitation as to rate or amount, if necessary to pay such principal and interest when due. Without limiting the foregoing, the City shall levy taxes in each year to the extent estimated collections of Tax Increment Revenues and other revenues to be applied to the payment of the Bonds in the following year, together with available amounts on deposit in the Debt Service Account and other dedicated funds, are insufficient to pay the principal of and interest on the Bonds in such subsequent year and at least five percent in excess thereof.

5.03. Tax Covenant. The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Bonds or any related activity which would cause the Bonds to be deemed to be "private activity bonds", within the meaning of Section 141 of the Code, or "arbitrage bonds", within the meaning of Section 148 of the Code. The City shall take all such action as may be required under the Code to ensure that interest on the Bonds is not and does not become includable in gross income for federal income tax purposes.

Section 6. Miscellaneous.

6.01. Arbitrage. The City covenants and agrees with the purchasers and holders of the Bonds that the investments of the "gross proceeds" of the Bonds, including the investment of any revenues pledged to the Bonds which are considered "gross proceeds" under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be deemed to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations promulgated thereunder. On the basis of existing facts, estimates and circumstances, including the foregoing findings and covenants, the City Council hereby certifies that it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be "arbitrage bonds" under Section 148 of the Code and applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish an arbitrage certificate to the original purchasers embracing or based on the foregoing certification at the time of delivery of the Bonds, and the Finance Officer may make any election permitted under Section 148 of the Code, or under any other provision of the Code, on behalf of the City.

6.02. Registration. The City Clerk is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Taxpayer Services Division Manager of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Act, and to obtain a certificate as to registration of the Bonds.

6.03. Certification. The City Clerk, the Finance Officer, and other officers and employees of the City are hereby authorized and directed to furnish to the attorneys approving the Bonds, on behalf of the purchasers of the Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, to show the proceedings taken in connection with the Bonds, and the right and authority of the City to issue the Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City.

6.04. Reimbursement Resolution. This resolution constitutes an official declaration pursuant to Treasury Regulations, Section 1.150-2, that the City intends to reimburse expenditures which may be made for the Ramp and related public redevelopment costs designated herein to be funded with proceeds of the Bonds. The expenditures to be reimbursed include but are not limited to construction expenditures incurred after approval of the capital budget, preliminary expenditures for planning, design, legal, and consulting services, land acquisition, and staff costs and other overhead costs reasonably allocable thereto. The reasonably expected source of funds to pay debt service on the Bonds consists of tax increment financing revenues and net parking revenues.

6.05. Effective Date. This resolution shall take effect and be in force from and after its approval and publication.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Approved by Mayor Rybak 9/7/04.

RESOLUTION 2004R-387
By Colvin Roy and Johnson

Amending The 2004 Capital Improvement Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by increasing the PW - Transportation Capital Agency in the Municipal Parking Fund (7500-943-9464-8015) by \$4,250,000 and increasing the revenue source (7500-943-9464 - Source 3910) by \$4,250,000.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Approved by Mayor Rybak 9/7/04.

(Published September 8, 2004)

The **COMMUNITY DEVELOPMENT** and **WAYS & MEANS/BUDGET** Committees submitted the following reports:

Comm Dev & W&M/Budget - Your Committee, having under consideration the project that is underway to replace diffusers at the Target Center, now recommends acceptance of a change order to the Target Center Arena Diffusers Contract increasing the contract with Gen Con Construction in the amount of \$75,959 to furnish additional arena diffusers and to extend the contract through October 15, 2004.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev & W&M/Budget - Your Committee, having under consideration a Metropolitan Council grant for the Phillips Park Initiative Phase II Project and a request to terminate the grant agreement since it was not utilized within the allowed time frame, now recommends:

a) That the proper City officers be authorized to terminate the following grant agreement:

- Phillips Park Initiative Phase II (Metropolitan Council Livable Communities Demonstration grant), in the amount of \$250,000;

b) That the proper City officers be authorized to terminate any legal agreements and memorandums of understanding that may be connected to the specified terms and respective funding requirements of said grant contract;

c) Passage of the accompanying resolution decreasing the Community Planning and Economic Development Agency and revenue estimate by \$250,000 to reflect the termination of the grant.

Adopted 9/3/04.

Absent - Johnson, Zerby.

RESOLUTION 2004R-388
By Goodman and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by decreasing the appropriation for the Community Planning and Economic Development Agency in the Grants Fund (SMN0-890-8031) by \$250,000 and decreasing the revenue source (SMN0-890-8031 - Source 3215) by \$250,000.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev & W&M/Budget - Your Committee, having under consideration the Midtown Exchange Project and a request for authority to proceed with financing plans for the project (including restructuring from the previously authorized financing plan and amendment of terms within the redevelopment contract

for the project) and execution of related documents, now recommends that the proper City and Minneapolis Community Development Agency (MCDA) officers be authorized to execute Amendment #1 to the Midtown Exchange Redevelopment Contract and related documents with Ryan Companies US, Inc. and Assigned Developers based upon the following amendments (as included in Petn No 269849):

a. Support Sherman application for Challenge Program funds from the Minnesota Housing Finance Agency (MHFA);

b. That the City Finance Officer be authorized to make the necessary revenue and appropriation increases to the 2004 General Appropriation Resolution to facilitate (i) the issuance and expenditure of the G.O. or revenue TIF bonds, and (ii) an increase in the principal amount of the Leveraged Opportunity Fund loan of up to an additional \$300,000 for environmental remediation (as outlined in Petn No 269849);

c. Increase the interest rate on the parking ramp TIF note;

d. Align parking lease terms with Allina lease term;

e. That the proper officers of the MCDA be authorized to address title issues with respect to the Midtown Greenway by conveyance of certain parcels to the Hennepin County Regional Railroad Authority (HCRRA) and to execute a Grant and Declaration of Easements Agreement;

f. Extend the closing deadline from September 1, 2004 to September 30, 2004.

Benson moved to amend the report by adding a direction to staff to examine and create a policy on the use of General Obligation Tax Increment Finance bonds. Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 9/3/04.

Yeas, 8; Nays, 5 as follows:

Yeas - Niziolek, Samuels, Johnson, Zimmermann, Schiff, Lilligren, Johnson Lee, Ostrow.

Nays - Benson, Goodman, Lane, Colvin Roy, Zerby.

Comm Dev & W&M/Budget - Your Committee, having under consideration the Midtown Exchange Project, now recommends passage of the accompanying resolution authorizing the issuance of up to \$3,500,000 in General Obligation (G.O.) or revenue Tax Increment Finance (TIF) bonds to support the housing component of the project.

Adopted 9/3/04.

Yeas, 8; Nays, 5 as follows:

Yeas - Niziolek, Samuels, Johnson, Zimmermann, Schiff, Lilligren, Johnson Lee, Ostrow.

Nays - Benson, Goodman, Lane, Colvin Roy, Zerby.

Resolution 2004R-389 authorizing the issuance of up to \$3,500,000 in General Obligation or revenue Tax Increment Finance bonds for the Midtown Exchange Project, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-389

By Johnson

Relating to the tax increment financing of public improvements with respect to the Lake Street Center Tax Increment Finance District; authorizing the sale and issuance of General Obligation Tax Increment Bonds, Series 2004, or Taxable Tax Increment Revenue Notes (Midtown Exchange Project), Series 2004, or Tax Increment Revenue Bonds (Midtown Exchange Project), Series 2004, in the original aggregate principal amount of up to \$3,500,000; providing the forms, terms, pledge of tax increment revenues, and findings, covenants, and directions relating to the issuance of such obligations

Resolved by The City Council of The City of Minneapolis:

Section 1. Background.

1.01. Pursuant to Resolution No. 2002R-300, adopted by the City Council of the City of Minneapolis (the "City") on September 13, 2002, the City established the Lake Street Center Redevelopment Project

(the "Project") and the Lake Street Center Redevelopment Tax Increment Finance District (the "District"). The Project and the District were established pursuant to authority granted by Minnesota Statutes, Sections 469.001 through 469.134, Sections 469.174 through 469.179, as amended, Laws of Minnesota 1971, Chapter 677, and Laws of Minnesota 1998, Chapter 389. Pursuant to Resolution No. 2002-2644M, adopted by the Board of Commissioners of the Minneapolis Community Development Agency (the "Agency") on September 13, 2002, the Agency approved the Lake Street Center Redevelopment Plan (the "Redevelopment Plan") with respect to the Project and the Lake Street Center Tax Increment Finance Plan (the "TIF Plan") with respect to the District. Pursuant to Resolution No. 2002R-300, the City Council of the City approved the Redevelopment Plan and the TIF Plan.

1.02. In order to provide for the redevelopment of the Project and the District and, specifically, to provide for the redevelopment of one of the existing buildings located in the District at the corner of Lake Street East and Tenth Avenue South, referred to generally as the 1928 Building, the City is proposing to enter into a redevelopment contract with Ryan Companies US, Inc., a portion of which is proposed to be assigned to one or more other sub-developers, including Sherman Associates (collectively, the "Developer"), to provide for the construction of approximately 88 ownership housing units within the 1928 Building (the "Development").

1.03. Pursuant to Minnesota Statutes, Sections 469.174 to 469.179, as amended (the "Tax Increment Act"), and Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act"), the City is authorized to issue and sell its general obligation bonds or notes for the purpose of financing public redevelopment costs in a redevelopment project and to pledge tax increment revenues derived from a tax increment financing district established within the redevelopment project to the payment of the principal of and interest on such obligations. Pursuant to the terms of Section 475.58, subdivision 1, of the Municipal Debt Act, no election is required as a condition to the issuance of such general obligation bonds because the City Council has determined, and hereby affirms, that not less than twenty percent of the public redevelopment costs for the development in the District is estimated to be received from the tax increment revenues derived from the District. Pursuant to applicable provisions of the Tax Increment Act, the City is authorized to issue and sell its revenue bonds or notes for the purpose of financing public redevelopment costs in a redevelopment project and to pledge tax increment revenues derived from a tax increment financing district established within the redevelopment project to the payment of the principal of and interest on such obligations.

1.04. Definitions. Unless the context otherwise requires, the terms defined in Section 1.01-1.03 of this Resolution (as defined below) and in this Section 1.04 shall, for all purposes of this Resolution and any resolution supplemental hereto, have the meanings herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

"Holder", "Bondholder" or "owner" means the person in whose name a Bond is registered.

"Letter of Representations" means the Blanket Letter of Representations from the City to Depository Trust Company, New York, New York.

"Resolution" means this resolution authorizing the issuance of obligations, as this resolution may be amended or supplemented from time to time.

Section 2. Issuance of Obligations.

2.01. In order to finance all or any portion of the public redevelopment costs to be paid or incurred by the City with respect to the Project, the District, and the Development, there is hereby authorized to be issued by the City the following obligations: (i) General Obligation Tax Increment Bonds, Series 2004 (the "General Obligation Bonds"); (ii) Taxable Tax Increment Revenue Notes (Midtown Exchange Project), Series 2004 (the "Revenue Notes"); or (iii) Tax Increment Revenue Bonds (Midtown Exchange Project), Series 2004 (the "Revenue Bonds"). The General Obligation Bonds, the Revenue Notes, and the Revenue Bonds are hereinafter referred to collectively as the "Obligations." The Revenue Notes and the Revenue Bonds are hereinafter referred to collectively as the "Revenue Obligations."

2.02. The maximum aggregate principal amount of the Obligations that may be outstanding at any time is limited to \$3,500,000; provided, however, that the outstanding aggregate principal amount of the Obligations may exceed \$3,500,000 if the amount in excess of \$3,500,000 is attributable to Obligations issued to refund outstanding Obligations previously issued by the City. The public redevelopment costs

with respect to the Project, the District, and the Development may be financed solely with the proceeds of the General Obligation Bonds, or solely with the proceeds of the Revenue Obligations, or may be financed in part with the proceeds of the General Obligation Bonds and in part with the proceeds of the Revenue Obligations.

Section 3. Terms and Form of General Obligation Bonds.

3.01. General Obligation Bond Terms. Subject to the limitations set forth in Section 2 of this Resolution, the General Obligation Bonds are authorized to be issued in accordance with the terms of this Resolution. The General Obligation Bonds shall be designated "General Obligation Tax Increment Bonds," shall be issued in one or more series as the Finance Officer may determine, and shall be assigned a separate series designation determined by the Finance Officer for each series issued by the City. In the event any portion of the General Obligation Bonds are to be issued as obligations the interest on which is includable in gross income for federal and State of Minnesota income tax purposes, such General Obligation Bonds shall be issued as a series separate from any series of General Obligation Bonds the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes and shall be designated "Taxable General Obligation Tax Increment Bonds." Any series of General Obligation Bonds may be designated such other name or names as determined to be appropriate by the Finance Officer. The General Obligation Bonds shall be dated March 1, 2006, or such other date as the Finance Officer may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar may determine. The General Obligation Bonds shall be issued in the original aggregate principal amount of \$3,500,000, or such lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the public redevelopment costs for which the General Obligation Bonds are to be issued. The General Obligation Bonds shall bear interest at the rates per annum approved by the Finance Officer in connection with the sale thereof, payable semiannually on August 1 and February 1 of each year, or such other dates determined by the Finance Officer, commencing on August 1, 2006, or such other date determined by the Finance Officer, from the date of the General Obligation Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the General Obligation Bonds shall mature on such dates and in such principal amounts as shall be determined by the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Finance Officer may determine to designate any portion of the principal of the General Obligation Bonds to be combined into one or more term General Obligation Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Finance Officer.

The Finance Officer shall establish a date on and after which all General Obligation Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the General Obligation Bonds shall be at such redemption prices, with or without premium, as the Finance Officer shall determine necessary to obtain the lowest interest rates for the General Obligation Bonds consistent with the amended finance plan pursuant to which the General Obligation Bonds are to be issued.

Thirty days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the General Obligation Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the General Obligation Bonds, the Bond Registrar shall assign to each General Obligation Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such General Obligation Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding General Obligation Bonds of the maturity to be redeemed. The order of selection of General Obligation Bonds to be redeemed shall be the General Obligation Bonds to which were assigned numbers so selected, but only so much of the principal amount of each General Obligation Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any General Obligation Bond, the same shall be surrendered in exchange for one or more new General Obligation Bonds in authorized form for the unredeemed portion of principal. The method of selecting General Obligation Bonds for optional

redemption may be altered in such manner as the Finance Officer shall determine to be necessary and appropriate in the interests of the City and the owners of the General Obligation Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The General Obligation Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as initial Bond Registrar and Paying Agent, or at the offices of such other successor agents as the City may hereafter designate upon sixty days' mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of General Obligation Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such General Obligation Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of General Obligation Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The General Obligation Bonds shall be in substantially the following form with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Finance Officer may determine:

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(Form of General Obligation Bonds)
UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

No. R- _____ \$ _____

CITY OF MINNEAPOLIS
GENERAL OBLIGATION TAX INCREMENT BOND
SERIES 2004

Interest Rate Maturity Date of Original Issue CUSIP

Registered Owner:

Principal Amount:

The City of Minneapolis (the "City"), in the County of Hennepin and State of Minnesota, for value received, hereby certifies that it is indebted and hereby promises to pay to the registered owner named above or registered assigns, the principal amount specified above on the maturity date specified above, upon the presentation and surrender hereof, and to pay to the registered owner hereof interest on such principal sum at the interest rate specified above from _____, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on _____ 1 and _____ 1 of each year, commencing _____, until said principal sum is paid. Interest shall be computed on the basis of a 360-day year consisting of twelve thirty-day months. Principal and the redemption price is payable in lawful money of the United States of America at the office of the Finance Officer in Minneapolis, Minnesota, as Bond Registrar and Paying Agent, or at the office of such successor agents as the City may designate upon sixty days' notice to the respective registered owners at their registered addresses. At the written request of the registered owner thereof, payment of at least \$100,000 in principal amount of Bonds of this series shall be made by wire transfer of

immediately available funds to any bank in the continental United States upon presentation and surrender thereof. Interest shall be paid on each interest payment date by check or draft mailed to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month preceding each interest payment date (whether or not a business day) at the registered owner's address set forth on the registration books maintained by the Bond Registrar or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of the Bonds of this series, by wire transfer of immediately available funds to any bank in the continental United States. Any such interest not punctually paid or provided for will cease to be payable to the person in whose name this Bond is registered on such regular record dates and such defaulted interest may be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Bond Registrar.

This Bond is one of a series of Bonds all of like date and tenor except for number, interest rate, denomination date of maturity, and redemption privilege, and is issued pursuant to and in accordance with Minnesota Statutes, Sections 469.174 to 469.1799, as amended, and Minnesota Statutes, Chapter 475, as amended (collectively, the "Act"), for the purpose of financing and refinancing the public redevelopment costs for the development and redevelopment of the Lake Street Center Redevelopment Project and the Lake Street Center Redevelopment Tax Increment Finance District (the "District") of the City.

The Bonds of this series are expected to be paid primarily from collections of tax increment revenues from the District and certain other revenues which may be deposited in the Debt Service Account for the Bonds pursuant to the terms of the resolution authorizing the issuance of the Bonds (the "Bond Resolution"). Such use of tax increment revenues is subordinate to any prior obligations of the City to which such tax increment revenues have been pledged (and which pledge does not recognize or permit parity claims or uses of such tax increment revenues) and such deposit shall be made only to the extent such tax increment revenues are available for such purposes. In addition to such pledge of tax increment revenues, the full faith and credit of the City has been and is hereby pledged to the full and prompt payment of the principal of and interest on the Bonds and the City Council is obligated to levy ad valorem taxes on all taxable property in the City without limitation as to rate or amount, if necessary, to pay the principal of and interest on the Bonds when due. The City may pledge or apply such tax increment revenues to existing or future obligations of the City on a parity or priority basis with the Bonds.

Reference is hereby made to the Act and to the Bond Resolution for a description of the tax increment revenues and the other revenues that are expected to pay the debt service on the Bonds of this series. Reference is hereby made to the Act and to the Bond Resolution for a description of the nature of the security thereby created, the rights and limitation of the rights of the City and bondholders with respect thereto, and covenants of the City as to the application of the proceeds of the Bonds of this series and the security for the Bonds and interest thereon.

All Bonds maturing on or after _____, are subject to redemption at the option of the City, in whole or in part in such order as the City may determine, on _____, and any date thereafter at a redemption price equal to par plus accrued interest to the redemption date [plus the redemption premium set forth in the following table].

[Redemption Premium Table, if applicable]

Thirty days' notice of prior redemption will be given by mail to registered owners in the manner provided by applicable provisions of the Act.

This Bond is transferable, as provided in the Bond Resolution, only upon books of the City kept at the office of the Bond Registrar by the registered owner hereof in person or by the registered owner's duly authorized attorney, upon surrender of this Bond for transfer at the office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by, the registered owner hereof or the registered owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of the series of the same principal amount, maturity and interest rate will be issued to the designated transferee or transferees.

The Bonds of this series are issued only as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount maturing in any one year. As provided in the Bond Resolution and subject to certain limitations therein set forth, the Bonds of this

series are exchangeable for a like aggregate principal amount of Bonds of this series of different authorized denominations, as requested by the registered owner or the registered owner's duly authorized attorney, upon surrender thereof to the Bond Registrar.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in regular and due time, form, and manner as required by law; and that this Bond, and the series of which it is a part, is within every applicable debt and other limit prescribed by the Constitution and laws of the State of Minnesota and the Charter of the City.

This Bond shall not be valid or become obligatory for any purpose until the Registration and Authentication Certificate hereon shall have been signed by the Bond Registrar.

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In witness whereof, the City, acting by and through its City Council, has caused this Bond to be executed with the manual or facsimile signature of its Finance Officer and a facsimile of the corporate seal of said City to be imprinted hereon, all as of the Date of Original Issue specified above.

Dated: _____

CITY OF MINNEAPOLIS, MINNESOTA

(SEAL)

By _____
Finance Officer

Bond Registrar's Registration and Authentication Certificate

This is one of the Bonds described in the within mentioned Bond Resolution and has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Finance Officer of the City of Minneapolis.

Finance Officer, as Bond Registrar

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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Please Insert Social Security Number or
Other Identifying Number of Assignee.

Notice: The signature to this assignment must
correspond with the name as it appears on the face
of this Bond in every particular, without alteration or
any change whatever.

Signature Guaranteed:

Signatures must be guaranteed by a national
bank or trust company, or by a brokerage
firm which is a member of a major stock
exchange.

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3.04. Registration. As long as any of the General Obligation Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such General Obligation Bonds, as in this Resolution provided, and for the registration and transfer of such General Obligation Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any General Obligation Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered General Obligation Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. Any General Obligation Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of General Obligation Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging General Obligation Bonds or transferring fully registered General Obligation Bonds is exercised, the City shall execute and the Bond Registrar shall deliver General Obligation Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of General Obligation Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new General Obligation Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any General Obligation Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of General Obligation Bonds.

3.05. Record Dates. Interest on any General Obligation Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that General Obligation Bond (or one or more General Obligation Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any General Obligation Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner, if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such

payments shall then be made to the persons in whose names the General Obligation Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each General Obligation Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other General Obligation Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other General Obligation Bond and each such General Obligation Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. General Obligation Bonds Mutilated, Destroyed, Stolen or Lost. In case any General Obligation Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new General Obligation Bond of like maturity and principal amount as the General Obligation Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated General Obligation Bond, upon surrender and cancellation of such mutilated General Obligation Bond, or in lieu of and substitution for the General Obligation Bond destroyed, stolen or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such General Obligation Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All General Obligation Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any General Obligation Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such General Obligation Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such General Obligation Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such General Obligation Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the General Obligation Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the General Obligation Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the General Obligation Bonds as they are entitled to receive, for redistribution to the beneficial owners of the General Obligation Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the General Obligation Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the General Obligation Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to General Obligation Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the General Obligation Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the General Obligation Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the General Obligation Bonds. The Bond Registrar shall pay all principal of and interest on the General Obligation Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy

and discharge the City's obligations with respect to the principal and interest on the General Obligation Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated General Obligation Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange General Obligation Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the General Obligation Bonds; or (ii) to make available General Obligation Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such General Obligation Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed General Obligation Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed General Obligation Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed General Obligation Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed General Obligation Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive General Obligation Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any General Obligation Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the General Obligation Bond and all notices with respect to the General Obligation Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Letter of Representation is confirmed and shall apply to the General Obligation Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the General Obligation Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer and exchange all General Obligation Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the General Obligation Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 4. Sale, Execution, and Delivery of General Obligation Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the General Obligation Bonds is hereby delegated to the Finance Officer under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of General Obligation Bonds shall be sold only at a price of not less than ninety-eight percent of the principal amount of such series of General Obligation Bonds, and the General Obligation Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the General Obligation Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as it may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount and any unused issuance costs shall be deposited in the Debt Service Account or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The General Obligation Bonds shall be executed by the manual or facsimile signature of the Finance Officer and a facsimile of the corporate seal of the City shall be included as set forth in the form of General Obligation Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each General Obligation Bond. When the General Obligation Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the General Obligation Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The General Obligation Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Finance Officer shall cause an Official Statement relating to the General Obligation Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Official Statement"), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the General Obligation Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the General Obligation Bonds. With respect to any series of General Obligation Bonds to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes, the Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Code and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the General Obligation Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings. With respect to any series of General Obligation Bonds to be issued as obligations the interest on which is includable in gross income for federal and State of Minnesota income tax purposes, the Finance Officer shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the General Obligation Bonds.

Section 5. Application of Proceeds of General Obligations Bonds.

5.01. Appropriation of Funds. The proceeds of the General Obligation Bonds are hereby appropriated as follows: (i) any accrued interest shall be deposited in the Debt Service Account; (ii) an amount sufficient to pay the public development costs with respect to the development and redevelopment of the Development, the Project, and the District shall be set aside and applied to such purpose; and (iii) an amount sufficient to pay the costs of issuing the General Obligation Bonds shall be set aside and applied to such purpose. Any remaining proceeds of the General Obligation Bonds shall be applied to purposes of the City determined and designated by the Finance Officer.

Section 6. Covenants of the City.

6.01. Debt Service Account. There is hereby established a separate Debt Service Account for payment of principal of, premium, if any, and interest on the General Obligation Bonds. To the extent deemed appropriate and in the best interests of the City, the City will apply the tax increment revenues and other revenues derived from the District to the payment of the principal of and interest on the General Obligation Bonds. The Finance Officer shall deposit in the Debt Service Account, from amounts in the accounts which shall be or have heretofore been created for the deposit of tax increment revenues of the District and other revenues to be applied to payment of the Bonds, such tax increment revenues and other revenues as are deemed appropriate and necessary to pay the principal of and interest on the

General Obligation Bonds when due; provided that such use of tax increment revenues is subordinate to any prior obligations of the City to which the tax increment revenues have been pledged (and which pledge does not recognize or permit parity claims or parity uses of such tax increment revenues) and such deposit shall be made only to the extent such tax increment revenues are available for such purposes. The City may pledge or apply the tax increment revenues to existing or future obligations of the City on a parity or priority basis with the General Obligation Bonds.

6.02. Pledge of Full Faith and Credit; Tax Levies. The full faith and credit of the City are irrevocably pledged for the prompt and full payment of the General Obligation Bonds and the interest thereon, when due. It is hereby estimated that the tax increment revenues and other revenues to be applied to the payment of the General Obligation Bonds under Section 6.01 will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the General Obligation Bonds, but the City shall levy, in addition to all other taxes, a direct tax on all taxable property in the City, without limitation as to rate or amount, if necessary to pay such principal and interest when due. Without limiting the foregoing, the City shall levy taxes in each year to the extent estimated collections of tax increment revenues and other revenues to be applied to the payment of the General Obligation Bonds in the following year, together with available amounts on deposit in the Debt Service Account and other dedicated funds, are insufficient to pay the principal of and interest on the General Obligation Bonds in such subsequent year and at least five percent in excess thereof.

6.03. Private Activity Bond Covenant. With respect to any series of General Obligation Bonds to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes, the City makes the covenants set forth in this Section 6.03. The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of each such series of General Obligation Bonds or any related activity which would cause any such series of General Obligation Bonds to be deemed to be "private activity bonds," within the meaning of Section 141 of the Code. The City shall take all such action as may be required under the Code to ensure that interest on each such series of General Obligation Bonds is not and does not become includable in gross income for federal income tax purposes.

6.04. Arbitrage Covenant. With respect to any series of General Obligation Bonds to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes, the City makes the covenants set forth in this Section 6.04. The City covenants and agrees with the purchasers and holders of each such series of General Obligation Bonds that the investments of the "gross proceeds" of each such series of General Obligation Bonds, including the investment of any revenues pledged to the General Obligation Bonds which are considered "gross proceeds" under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that each such series of General Obligation Bonds shall not be deemed to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations promulgated thereunder. On the basis of existing facts, estimates and circumstances, including the foregoing findings and covenants, the City Council hereby certifies that it is not expected that the proceeds of any such series of General Obligation Bonds will be used in such manner as to cause any such series of General Obligation Bonds to be "arbitrage bonds" under Section 148 of the Code and applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish an arbitrage certificate to the original purchasers embracing or based on the foregoing certification at the time of delivery of any series of General Obligation Bonds to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes, and the Finance Officer may make any election permitted under Section 148 of the Code, or under any other provision of the Code, on behalf of the City.

Section 7. Miscellaneous Matters relating to General Obligation Bonds.

7.01. Registration. The Finance Officer or City Clerk are hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Taxpayer Services Division Manager of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the General Obligation Bonds.

7.02. Certification. The City Clerk, the Finance Officer, and other officers and employees of the City are hereby authorized and directed to furnish to the attorneys approving the General Obligation Bonds,

on behalf of the purchasers of the General Obligation Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, to show the proceedings taken in connection with the General Obligation Bonds, and the right and authority of the City to issue the General Obligation Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City.

Section 8. Terms and Form of Revenue Notes and Related Documents.

8.01. Issuance of Revenue Notes. Subject to the limitations set forth in Section 2 of this Resolution, the City Council hereby authorizes the issuance of tax increment revenue notes to be designated as the "Taxable Tax Increment Revenue Notes (Midtown Exchange Project), Series 2004 (the "Revenue Notes"), in a principal amount not to exceed \$3,500,000. The Revenue Notes may be issued on such date and upon the terms and conditions determined by the Finance Officer. The Revenue Notes may be designated such other name or names as determined to be appropriate by the Finance Officer. The Revenue Notes may be issued in one or more series as the Finance Officer may determine, and may be assigned a separate series designation determined by the Finance Officer for each series issued by the City. The Revenue Notes may be issued as obligations the interest on which is includable in gross income for federal and State of Minnesota income tax purposes. This authorization to issue the Revenue Notes is effective without any additional action of the City Council and shall be undertaken by the Finance Officer on such date or dates and upon the terms and conditions deemed reasonable by the Finance Officer. The City Council hereby authorizes the sale of the Revenue Notes with the assistance of a placement agent hereinafter selected by the Finance Officer (the "Placement Agent"). The City shall sell the Revenue Notes to the purchasers to whom the Placement Agent has placed the Revenue Notes (the "Purchasers") in accordance with the terms of a Private Placement Agreement between the City and the Placement Agent and/or the Purchasers (the "Private Placement Agreement").

8.02. Terms of Revenue Notes. The Revenue Notes shall have the maturities, interest rate provisions, shall be dated, numbered, and issued in such denominations, shall be subject to mandatory and optional redemptions and prepayment prior to maturity, shall be executed, sealed, and authenticated in such manner, shall be in such form, and shall have such other details and provisions as are prescribed in the form of the Revenue Notes and in the Private Placement Agreement. The Finance Officer is authorized to approve the original aggregate principal amount of each series of Revenue Notes to be issued under the terms of this Resolution (subject to the maximum aggregate principal amount for all series authorized by this Resolution), to establish the terms of redemption, the principal amounts subject to redemption, and the dates of redemption of the Revenue Notes, and to approve other changes to the other terms of the Revenue Notes which are deemed by the Finance Officer to be in the best interests of the City. The issuance and delivery of the Revenue Notes shall be conclusive evidence that the Finance Officer has approved the terms and provisions of the Revenue Notes in accordance with the authority granted by this Resolution. The proceeds derived from the sale of the Revenue Notes, and the earnings derived from the investment of such proceeds, shall be held, transferred, expended, and invested in accordance with determinations of the Finance Officer.

8.03. Revenue Note Documents. There shall be prepared, executed and delivered in conjunction with the issuance of the Revenue Notes, in the discretion of the Finance Officer, the following documents: (i) the Revenue Notes; (ii) a Guaranty Agreement (the "Guaranty") to be executed by the guarantor or guarantors approved by the Finance Officer (the "Guarantor"); (iii) an Assessment Agreement (the "Assessment Agreement"), to be executed by the City, the Developer and certain owners of the housing units comprising the Development; (iv) the Private Placement Agreement; and (v) such other instruments or documents deemed necessary or appropriate by the Finance Officer with respect to the issuance of, or security for, the Revenue Notes. The Revenue Notes, the Guaranty, the Assessment Agreement, the Private Placement Agreement, and such other instruments or documents are hereby authorized to be approved by the Finance Officer, subject to such changes not inconsistent with this Resolution and applicable law.

8.04. Security for the Revenue Notes. The Revenue Notes shall be secured by the terms of this Resolution, the Revenue Notes, the Assessment Agreement, and the Guaranty and shall be payable solely from Available Tax Increments (as defined in the Revenue Notes) that are expressly pledged to the payment of the Revenue Notes pursuant to the terms of the Revenue Notes, or from payments made by the Guarantor pursuant to the terms of the Guaranty.

8.05. Special Obligations. It is hereby found, determined and declared that the issuance and sale of the Revenue Notes, the execution and delivery by the City of the Revenue Notes, Private Placement Agreement, and the Assessment Agreement (the "City Note Documents"), and the performance of all covenants and agreements of the City contained in the City Note Documents, and of all other acts required under the Constitution and laws of the State of Minnesota to make the Revenue Notes the valid and binding special obligations of the City enforceable in accordance with their terms, are authorized by applicable Minnesota law, including, without limitation, the Tax Increment Act and this Resolution.

8.06. Limited Obligations. Under the provisions of the Tax Increment Act, and as provided under the terms of the Revenue Notes, the Revenue Notes are not to be payable from or chargeable against any funds other than the revenues and assets pledged to the payment thereof; the City shall not be subject to any liability thereon other than from such revenues and assets pledged thereto; no holder of any Revenue Notes shall ever have the right to compel any exercise by the City of its taxing powers (other than as contemplated by the pledge of tax increment revenues under the terms of the Revenue Notes) to pay the principal of, premium, if any, and interest on the Revenue Notes, or to enforce payment thereof against any property of the City other than the property expressly pledged thereto; the Revenue Notes shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City other than the revenues or assets expressly pledged thereto; the Revenue Notes shall recite that the Revenue Notes are issued without a pledge of the general or moral obligation of the City, and that the Revenue Notes, including interest thereon, are payable solely from the revenues and assets pledged to the payment thereof; and the Revenue Notes shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation of indebtedness.

Section 9. Terms and Form of Revenue Bonds and Related Documents.

9.01. Issuance of Revenue Bonds. Subject to the limitations set forth in Section 2 of this Resolution, the City Council hereby authorizes the issuance of tax increment revenue bonds to be designated as the "Tax Increment Revenue Bonds (Midtown Exchange Project), Series 2004 (the "Revenue Bonds"), in a principal amount not to exceed \$3,500,000. The proceeds of the Revenue Bonds may be applied to the redemption and prepayment of Revenue Notes, if Revenue Notes were issued to finance the public redevelopment costs of the Development, or the proceeds of the Revenue Bonds may be directly applied to pay or reimburse the public redevelopment costs of the Development. The Revenue Bonds shall be issued on such date and upon the terms and conditions determined by the Finance Officer of the City (the "Finance Officer"). The Revenue Bonds may be designated such other name or names as determined to be appropriate by the Finance Officer. The Revenue Bonds may be issued in one or more series as the Finance Officer may determine, and shall be assigned a separate series designation determined by the Finance Officer for each series issued by the City. The Revenue Bonds are authorized to be issued as obligations the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. This authorization to issue the Revenue Bonds is effective without any additional action of the City Council and shall be undertaken by the Finance Officer on such date or dates and upon the terms and conditions deemed reasonable by the Finance Officer. The City Council hereby authorizes the sale of the Revenue Bonds to the underwriter hereinafter selected by the Finance Officer to purchase the Revenue Bonds (the "Underwriter") upon the offer of the Underwriter to purchase the Revenue Bonds in accordance with the terms of a Bond Purchase Agreement between the City and the Underwriter (the "Bond Purchase Agreement").

9.02. Revenue Bond Documents. There shall be prepared, executed, and delivered in conjunction with the issuance of the Revenue Bonds, in the discretion of the Finance Officer, the following documents: (i) an Indenture of Trust (the "Indenture"), between the City and a financial institution selected by the Finance Officer to act as trustee with respect to the Revenue Bonds (the "Trustee"); (ii) the Bond Purchase Agreement; and (iii) such other instruments or documents deemed necessary or appropriate by the Finance Officer with respect to the issuance of, or security for, the Revenue Bonds. The Indenture, the Bond Purchase Agreement, and such other instruments or documents are hereby authorized to be approved by the Finance Officer, subject to such changes not inconsistent with this Resolution and applicable law. The Revenue Bonds shall be secured by the terms of the Indenture and shall be payable solely from Available Tax Increments (as defined in the Indenture) that are expressly pledged to the payment of the Revenue Bonds pursuant to the terms of the Indenture.

9.03. Terms of Revenue Bonds. The Revenue Bonds shall have the maturities, interest rate provisions, shall be dated, numbered, and issued in such denominations, shall be subject to mandatory and optional redemptions and prepayment prior to maturity, shall be executed, sealed, and authenticated in such manner, shall be in such form, and shall have such other details and provisions as are prescribed in the Indenture. The forms of the Revenue Bonds shall be included in the Indenture and shall be prepared in substantially such forms in the Indenture, subject to changes not inconsistent with this Resolution and applicable law, and subject to such changes that are approved by the Finance Officer. Without limiting the generality of the foregoing, the Finance Officer is authorized to approve the original aggregate principal amount of each series of Revenue Bonds to be issued under the terms of this Resolution (subject to the maximum aggregate principal amount for all series authorized by this Resolution), to establish the terms of redemption, the principal amounts subject to redemption, and the dates of redemption of the Revenue Bonds, and to approve other changes to the other terms of the Revenue Bonds which are deemed by the Finance Officer to be in the best interests of the City. The issuance and delivery of the Revenue Bonds shall be conclusive evidence that the Finance Officer has approved the terms and provisions of the Revenue Bonds in accordance with the authority granted by this Resolution. The proceeds derived from the sale of the Revenue Bonds, and the earnings derived from the investment of such proceeds, shall be held, transferred, expended, and invested in accordance with determinations of the Finance Officer.

9.04. Special Obligations. It is hereby found, determined and declared that the issuance and sale of the Revenue Bonds, the execution and delivery by the City of the Indenture and the Bond Purchase Agreement (the "City Bond Documents"), and the performance of all covenants and agreements of the City contained in the City Bond Documents, and of all other acts required under the Constitution and laws of the State of Minnesota to make the Revenue Bonds the valid and binding special obligations of the City enforceable in accordance with their terms, are authorized by applicable Minnesota law, including, without limitation, the Tax Increment Act and this Resolution.

9.05. Limited Obligations. Under the provisions of the Tax Increment Act, and as provided in the Indenture and under the terms of the Revenue Bonds, the Revenue Bonds are not to be payable from or chargeable against any funds other than the revenues and assets pledged to the payment thereof; the City shall not be subject to any liability thereon other than from such revenues and assets pledged thereto; no holder of any Revenue Bonds shall ever have the right to compel any exercise by the City of its taxing powers (other than as contemplated by the pledge of tax increment revenues under the terms of the Indenture) to pay the principal of, premium, if any, and interest on the Revenue Bonds, or to enforce payment thereof against any property of the City other than the property expressly pledged thereto; the Revenue Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City other than the revenues or assets expressly pledged thereto; the Revenue Bonds shall recite that the Revenue Bonds are issued without a pledge of the general or moral obligation of the City, and that the Revenue Bonds, including interest thereon, are payable solely from the revenues and assets pledged to the payment thereof; and the Revenue Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation of indebtedness.

9.06. Tax-exempt Status of Revenue Bonds. The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Revenue Bonds or any related activity which would cause the Revenue Bonds to be deemed to be "private activity bonds," within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The City shall not take any action or authorize any action to be taken in connection with the application or investment of the proceeds of the Revenue Bonds or any related activity which would cause the Revenue Bonds to be deemed to be "arbitrage bonds," within the meaning of Section 148 of the Code. Furthermore, the City shall take all such actions as may be required under the Code to ensure that interest on the Revenue Bonds is not and does not become includable in gross income for federal income tax purposes.

Section 10. Disclosure Documents and Closing Documents with Respect to Revenue Bonds and Revenue Notes.

10.01. Revenue Bonds Disclosure Documents. The preparation of one or more official statements or other forms of disclosure documents (the "Bond Disclosure Documents") in conjunction with the offer and sale of the Revenue Bonds is hereby authorized. When approved by the Finance Officer of the City,

the Bond Disclosure Documents are authorized to be distributed in conjunction with the offer and sale of the Revenue Bonds. In order to provide for continuing disclosure with respect to the Revenue Bonds, to the extent deemed necessary, required, or appropriate by the Finance Officer, the Finance Officer and the Trustee may execute and deliver an agreement or certificate providing for continuing disclosure with respect to the Revenue Bonds.

10.02. Revenue Notes Disclosure Documents. If the Revenue Notes are issued, the preparation of one or more official statements or other forms of disclosure documents (the "Note Disclosure Documents") in conjunction with the offer and sale of the Revenue Notes is hereby authorized. When approved by the Finance Officer of the City, the Note Disclosure Documents are authorized to be distributed in conjunction with the offer and sale of the Revenue Notes. In order to provide for continuing disclosure with respect to the Revenue Notes, to the extent deemed necessary, required, or appropriate by the Finance Officer, the Finance Officer may execute and deliver a certificate providing for continuing disclosure with respect to the Revenue Notes.

10.03. Closing Documents with respect to Revenue Bonds. The Finance Officer is authorized to furnish to the purchasers of the Revenue Bonds, on the date of issuance and sale of the Revenue Bonds, a certificate that, to the best of the knowledge of such officer, each Bond Disclosure Document does not, as of the date of closing, and did not, as the time of sale of the Revenue Bonds, contain any untrue statement of a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Unless litigation shall have been commenced and be pending questioning the Revenue Bonds, the proceedings for approval of the Revenue Bonds, tax increment revenues generated or collected for payment of the Revenue Bonds, revenues pledged for payment of the Revenue Bonds, or the organization of the City, or incumbency of its officers, at the respective closings, the Finance Officer shall also execute and deliver a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Revenue Bonds, and the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Revenue Bonds and the tax-exempt status of interest on the Revenue Bonds.

10.04. Closing Documents with respect to Revenue Notes. If the Revenue Notes are issued, the Finance Officer is authorized to furnish to the purchasers of the Revenue Notes, on the date of issuance and sale of the Revenue Notes, a certificate that, to the best of the knowledge of such officer, each Note Disclosure Document does not, as of the date of closing, and did not, as the time of sale of the Revenue Notes, contain any untrue statement of a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Unless litigation shall have been commenced and be pending questioning the Revenue Notes, the proceedings for approval of the Revenue Notes, tax increment revenues generated or collected for payment of the Revenue Notes, revenues pledged for payment of the Revenue Notes, or the organization of the City, or incumbency of its officers, at the respective closings, the Finance Officer shall also execute and deliver a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Revenue Notes, and the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Revenue Notes.

10.05. Additional Closing Documents with respect to Revenue Bonds. The City Clerk, the Finance Officer, and other agents, officers, and employees of the City are hereby authorized and directed, individually and collectively, to furnish to the attorneys approving the Revenue Bonds, on behalf of the purchasers of the Revenue Bonds, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, and the right and authority of the City to issue the Revenue Bonds, and all such certified copies and certifications shall be deemed representations of fact on the part of the City. Such officers, employees, and agents of the City are hereby authorized to execute and deliver, on behalf of the City, all other certificates, instruments, and other written documents that may be requested by bond counsel, the Underwriter, the Purchasers, the Trustee, or other persons or entities in conjunction with the issuance of the Revenue Bonds and the expenditure of the proceeds of the Revenue Bonds. Without imposing any limitations on the scope of the preceding sentence, such officers and employees are specifically authorized to prepare and file one or more UCC-1 financing statements, and execute and deliver a certificate relating to federal tax matters including matters relating to arbitrage and arbitrage rebate, a receipt for the proceeds derived from the sale of the Revenue Bonds, an order

to the Trustee, a general certificate of the City, and an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (Rev. November 2000).

10.06. Additional Closing Documents with respect to Revenue Notes. If the Revenue Notes are issued, the City Clerk, the Finance Officer, and other agents, officers, and employees of the City are hereby authorized and directed, individually and collectively, to furnish to the attorneys approving the Revenue Notes, on behalf of the purchasers of the Revenue Notes, certified copies of all proceedings and certifications as to facts as shown by the books and records of the City, and the right and authority of the City to issue the Revenue Notes, and all such certified copies and certifications shall be deemed representations of fact on the part of the City. Such officers, employees, and agents of the City are hereby authorized to execute and deliver, on behalf of the City, all other certificates, instruments, and other written documents that may be requested by bond counsel, the Placement Agent, the Purchasers, the Guarantor, or other persons or entities in conjunction with the issuance of the Revenue Notes and the expenditure of the proceeds of the Revenue Notes. Without imposing any limitations on the scope of the preceding sentence, such officers and employees are specifically authorized to prepare and file one or more UCC-1 financing statements, and execute and deliver a receipt for the proceeds derived from the sale of the Revenue Bonds and a general certificate of the City.

10.07. Registration. The Finance Officer or City Clerk are hereby authorized and directed to certify a copy of this Resolution and cause the same to be filed with the Hennepin County Director of Property Taxation, exercising the powers of the county auditor under Section 475.63 of the Municipal Debt Act, and to obtain the certificate of the Director of Property Taxation as the registration of the Revenue Bonds and the Revenue Notes.

Section 11. Miscellaneous Matters Relating to all Obligations.

11.01. Enforceability of Obligations. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, nor any officer executing the General Obligation Bonds, Revenue Bonds, or Revenue Notes shall be liable personally on the General Obligation Bonds, Revenue Bonds, or Revenue Notes or be subject to any personal liability or accountability by reason of the issuance of the General Obligation Bonds, Revenue Bonds, or Revenue Notes.

11.02. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the General Obligation Bonds, the Indenture, the Revenue Bonds, the Revenue Notes, and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

11.03. Persons Authorized to Execute Documents. If for any reason the Finance Officer, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by a deputy or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

11.04. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the General Obligation Bonds, Revenue Bonds, or Revenue Notes or, if required, such consent has been obtained; (b) such amendments do not

materially adversely affect the interests of the City as the issuer of the General Obligation Bonds, Revenue Bonds, or Revenue Notes; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; and (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the General Obligation Bonds or the Revenue Bonds (if the General Obligation Bonds or the Revenue Bonds are then tax-exempt obligations), and (f) such amendments do not materially prejudice the interests of the owners of the General Obligation Bonds, Revenue Bonds, or Revenue Notes. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

11.05. Reimbursement Resolution. This Resolution constitutes an official declaration pursuant to Treasury Regulations, Section 1.150-2, that the City intends to reimburse expenditures which may be made to finance or refinance the public development costs with respect to the development and redevelopment of the Development, the Project, and the District designated herein to be funded with proceeds of the General Obligation Bonds, Revenue Bonds, and Revenue Notes. The expenditures to be reimbursed include but are not limited to construction expenditures incurred after approval of the capital budget, preliminary expenditures for planning, design, legal, and consulting services, land acquisition, and staff costs and other overhead costs reasonably allocable thereto. The reasonably expected source of funds to pay debt service on the General Obligation Bonds, Revenue Bonds, and Revenue Notes consists of tax increment financing revenues derived from the District.

11.06. Effective Date. This Resolution shall take effect and be in force from and after its approval and publication.

Adopted 9/3/04. Yeas, 8; Nays, 5 as follows:

Yeas - Niziolek, Samuels, Johnson, Zimmermann, Schiff, Lilligren, Johnson Lee, Ostrow.

Nays - Benson, Goodman, Lane, Colvin Roy, Zerby.

Comm Dev & W&M/Budget - Your Committee, having under consideration the North Washington Av Jobs Park, now recommends that the proper City officers be authorized to issue a Request for Proposals (RFP) for development of City-owned property at 1300 Second St N.

Your Committee further recommends that the proper City officers be authorized to increase the Minneapolis Community Development Agency (MCDA) contract with Earth Tech, Inc. to act as the general contract for clean up operations at the site, in an amount not to exceed \$423,000; and passage of the accompanying resolution increasing the appropriation for the Community Planning and Economic Development (CPED) Department by \$51,000.

Adopted 9/3/04.

Absent - Johnson, Zerby.

RESOLUTION 2004R-390
By Goodman and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by increasing the appropriation for the Community Planning and Economic Development Agency in the Grants Fund (SMN0-890-8933) by \$51,000.

Adopted 9/3/04.

Absent - Johnson, Zerby.

Comm Dev & W&M/Budget - Your Committee, having under consideration a proposal for sale of the Stimson Building at 700 Hennepin Av, now recommends approval of the sale to Stimson RenoVentures, LLC for \$2,800,000 and the sale/assignment of the City's interest in roof-top outdoor advertising lease with ClearChannel Outdoor, Inc. on a contract for deed.

Adopted 9/3/04.

Absent - Johnson, Zerby.

The **PUBLIC SAFETY & REGULATORY SERVICES** Committee submitted the following reports:

PS&RS - Your Committee, having under consideration the 2004 United States Department of Justice, Bureau of Justice Assistance, Local Law Enforcement Block Grant, and having held the required public hearing thereon to receive comments on the proposed categories for funding in accordance with the federal guidelines, now recommends that the proper City Officers be directed to convey to the federal government the required details relating to said public hearing, including the date and number of residents in attendance.

Adopted 9/3/04.

PS&RS - Your Committee, to whom was referred an ordinance amending Title 18, Chapter 474 relating to *Traffic Code: Vehicle Operation*, implementing automated traffic law enforcement for red light violations at certain intersections within the City of Minneapolis, now recommends that said ordinance be given its second reading for amendment and passage.

Adopted 9/3/04. Yeas, 11; Nays, 2 as follows:

Yeas - Niziolek, Benson, Goodman, Samuels, Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Ostrow.

Nays - Lane, Zimmermann.

Ordinance 2004-Or-104 amending Title 18, Chapter 474 of the Minneapolis Code of Ordinances relating to *Traffic Code: Vehicle Operation*, adding Sections 474.620 to 474.670 to implement automated traffic law enforcement for red light violations at certain intersections within the City of Minneapolis, was passed 9/3/04 by the City Council. A complete copy of this ordinance is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized ordinance.

ORDINANCE 2004-Or-104
By Niziolek, Ostrow and Benson
Intro & 1st Reading: 7/23/04
Ref to: PS&RS
2nd Reading: 9/3/04

Amending Title 18, Chapter 474 of the Minneapolis Code of Ordinances relating to Traffic Code: Vehicle Operation.

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That Chapter 474 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 474.620 to read as follows:

474.620. Definitions:

Agency means the law enforcement agency primarily responsible for traffic control.

Automated traffic law enforcement system means an electronic system consisting of a photographic, video or electronic camera and a vehicle sensor installed to work alone or in conjunction with an official traffic controller and to automatically produce photographs, video or digital images of each vehicle violating a standard traffic control signal.

Owner means the person or entity identified by the Minnesota Department of Public Safety, or registered with any other State vehicle registration office, as the registered owner of a vehicle, or a lessee of a motor vehicle under a lease of 6 months or more.

Recorded image means images recorded by an automated traffic law enforcement system on:

- (1) Two or more photographs;
- (2) Two or more microphotographs;
- (3) Two or more electronic images;
- (4) Videotape; or
- (5) Any other medium; and which show the rear of the motor vehicle and, on at least one image or portion of tape, clearly identify the registration plate number of the motor vehicle.

Section 2. That Chapter 474 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 474.630 to read as follows:

474.630. Traffic control signal. (a) Whenever traffic is controlled by traffic control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors green, red and yellow shall be used except for special pedestrian signals carrying a word legend or symbol. The lights shall indicate and apply to drivers of vehicles as follows:

- (1) Green indication:
 - a. Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign at such place prohibits either such turn. But vehicular traffic, including vehicles turning right or left, shall yield the right of way to other vehicles and pedestrians lawfully within the intersection or an adjacent crosswalk at the time such signal is exhibited.
 - b. Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by such arrow, or such other movement as is permitted by other indications shown at the same time. Such vehicular traffic shall yield the right of way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.
- (2) Steady yellow indication:
 - a. Vehicular traffic facing a circular yellow signal is thereby warned that the related green movement is being terminated or that a red indication will be exhibited immediately thereafter when vehicular traffic shall not enter the intersection, except for the continued movement allowed by any green arrow simultaneously indicated.
 - b. Vehicular traffic facing a steady yellow arrow signal is thereby warned that the protected vehicular movement permitted by the corresponding green arrow indication is being terminated.
- (3) Steady red indication:
 - a. Vehicular traffic facing a circular red signal alone shall stop at a clearly marked line, but if none, before entering the crosswalk on the near side of the intersection, or if none, then before entering the intersection and shall remain standing until a green indication is shown, except as follows:
 1. The driver of a vehicle which is stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make such right turn, after stopping, unless an official sign has been erected prohibiting such movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at said intersection; or
 2. The driver of a vehicle on a one-way street which intersects another one-way street on which traffic moves to the left shall stop in obedience to a red or stop signal and may then make a left turn into said one-way street, unless an official sign has been erected prohibiting the movement, but shall yield the right-of-way to pedestrians and other traffic proceeding as directed by the signal at said intersection.

- b. Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or if none, then before entering the intersection and shall remain standing until a permissive signal indication is displayed.

Section 3. That Chapter 474 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 474.640 to read as follows:

474.640. Violation. If a motor vehicle is operated in violation of section 474.630 and the violation is detected by a recorded image taken by an automated traffic law enforcement system, the owner of the vehicle or the lessee of the vehicle is guilty of a petty misdemeanor. Notwithstanding any other law, a peace officer may issue a citation to the owner or lessee of the vehicle through the United States mail.

Section 4. That Chapter 474 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 474.650 to read as follows:

474.650. Citation. When a violation, as set forth by section 474.640, is detected by an automated traffic law enforcement system, the agency shall, within fourteen (14) days of the violation, mail to the owner a citation, which shall include:

- (1) The name and address of the registered owner of the vehicle.
- (2) The registration number of the motor vehicle involved in the violation.
- (3) The violation charged.
- (4) The location where the violation occurred.
- (5) The date and time of the violation.
- (6) A copy of the recorded images.
- (7) The fine amount and the date by which the fine should be paid.
- (8) A signed statement by a technician employed by the agency that, based on inspection of recorded images, the motor vehicle was being operated in violation of a traffic control device.
- (9) Information advising the person alleged to be liable under the ordinance:
 - a. Of the manner, time, and place in which liability as alleged in the citation may be contested in the District Court; and
 - b. Warning that failure to pay the penalty or to contest liability in a timely manner may result in a suspension of the owner's driving privileges.

Section 5. That Chapter 474 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 474.660 to read as follows:

474.660. Evidence. (a) In the prosecution of a violation, as set forth by section 474.640, captured by an automated traffic law enforcement system, prima facie evidence that the vehicle described in the citation was operated in violation of this section, together with proof that the defendant was at the time of such violation the owner or lessee of the vehicle, shall constitute in evidence a rebuttable presumption that such owner or lessee was the person who committed the violation. The presumption shall be rebutted if the owner or lessee:

- (1) Provides a sworn affidavit delivered by United States mail to the city or agency that he or she was not the owner or lessee of the vehicle at the time of the alleged violation and provides the name and current address of the person operating the motor vehicle at the time of the violation; or
- (2) Submits a copy of a police report showing the vehicle had been reported as stolen in a timely manner before the date of the violation.

(b) If the city or agency finds that the person named in the citation was not operating the vehicle at the time of the violation or receives evidence under paragraph (a)(1) of this section identifying the person driving the vehicle at the time of the violation, the city or agency shall issue a citation to the identified driver through the United State mail, no later than fourteen (14) days after receipt of this information.

Section 6. That Chapter 474 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 474.670 to read as follow:

474.670. Severance. If any section, sentence, clause or phrase of sections 474.620 to 474.660 is held invalid or unconstitutional by any court of competent jurisdiction it shall in no way affect the validity of any remaining portion of these sections.

Adopted 9/3/04. Yeas, 11; Nays, 2 as follows:

Yeas - Niziolek, Benson, Goodman, Samuels, Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Ostrow.

Nays - Lane, Zimmermann.

PS&RS - Your Committee, to whom was referred back on August 6, 2004 the application of Speedway Super America LLC, dba Super America #4378, 2445 Bloomington Av, for an Off-Sale Beer License to expire April 1, 2005, now recommends that said license be granted, subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Zimmermann moved that the report be referred back to the Public Safety & Regulatory Services Committee. Seconded.

Adopted upon a voice vote.

PS&RS - Your Committee, having under consideration the following license applications, now recommends that they be sent forward without recommendation:

a. Aramark Food Service Corp, dba Aramark, 500 11th Av S, for an Off-Sale Liquor License (change in ownership from Minnesota Vikings Ventures Inc), to expire July 1, 2005;

b. Aramark Food Service Corp, dba Aramark, 500 11th Av S, for an On-Sale Liquor Class E with Sunday Sales License (change in ownership from Minnesota Vikings Ventures Inc), to expire July 1, 2005.

Niziolek moved that the report be amended by deleting the language "be sent forward without recommendation" and inserting in lieu thereof "be granted". Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 9/3/04.

Approved by Mayor Rybak 9/7/04.

(Published 9/8/04)

PS&RS - Your Committee, having under consideration the following license applications, now recommends that they be sent forward without recommendation:

a. Satellite Productions Inc, dba The Craftsman Restaurant & Bar, 4300 E Lake St, for an On-Sale Liquor Class C-1 with Sunday Sales License (new business), to expire April 1, 2005;

b. Nokomis Bowling Company, dba Nokomis Lanes, 4040 Bloomington Av, for an On-Sale Liquor Class E with Sunday Sales License (new shareholder/partner, new corporate officer & new manager), to expire April 1, 2005.

Niziolek moved that the report be amended by deleting the language "be sent forward without recommendation" and inserting in lieu thereof "be granted". Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 9/3/04.

Declining to Vote - Benson.

PS&RS - Your Committee recommends passage of the accompanying Resolution granting applications for Liquor, Wine and Beer Licenses.

Adopted 9/3/04.

Declining to Vote - Benson.

Resolution 2004R-391, granting applications for Liquor, Wine and Beer Licenses, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-391

By Niziolek

Granting Liquor, Wine and Beer Licenses.

Resolved by The City Council of The City of Minneapolis:

That the following applications for liquor, wine and beer licenses be granted:

Off-Sale Liquor, to expire July 1, 2005

Minnesota Vikings Ventures Inc, dba Minnesota Vikings Ventures Inc, 500 11th Av S;

Philmik Inc, dba Hennepin Lake Liquors, 1200 W Lake St;

E & M Franklin Nicollet, dba Franklin Nicollet Liquor Store, 2012 Nicollet Av, 1st floor;

Jose & Luke Inc, dba Hi-Lake Liquors, 2218 E Lake St #B;

Off-Sale Liquor, to expire October 1, 2005

Mourado's Liquors Inc, dba Mourado's Liquors, 2426 2nd St NE;

Gawron's Liquors, dba River Liquors, 2435 Marshall St NE;

Skol Inc, dba Skol Liquors, 2500 27th Av S;

Meka Corp, dba Minnehaha Liquor Store, 2613 E Lake St;

JPOC Inc, dba Union Liquor Store, 3219 Penn Av N;

East Lake Liquor & Deli Inc, dba East Lake Liquor & Deli, 3916 E Lake St;

Ken & Norm's Liquors Inc, dba Ken & Norm's Liquors, 4801 Chicago Av;

McDonalds Liquor Inc, dba McDonalds Liquor Store, 5010 34th Av S;

On-Sale Liquor Class A with Sunday Sales, to expire July 1, 2005

I & E Inc, dba Bunker's, 761 Washington Av N, 1st floor;

Metropolitan Sports Facilities Commission, dba H H H Metrodome, 900 S 5th St;

Pepito's Mexican Foods Inc, dba Pepito's, 4820 Chicago Av;

On-Sale Liquor Class A with Sunday Sales, to expire October 1, 2004

Aramark Food Service Corp, dba Target Center, 600 1st Av N (new manager);

On-Sale Liquor Class A with Sunday Sales, to expire October 1, 2005

Drink Inc, dba Drink, 26 N 5th St;

St. Regis Blue Star LLC, dba Rossi's, 80 S 9th St;

On-Sale Liquor Class B with Sunday Sales, to expire January 1, 2005

La Nouvelle Paris Inc, dba Soul City Supper Club, 1835 Nicollet Av;

On-Sale Liquor Class B with Sunday Sales, to expire April 1, 2005

Stardust Lanes Inc, dba Stardust Lanes, 2520 26th Av S;

On-Sale Liquor Class B with Sunday Sales, to expire July 1, 2005

5-J LLC, dba Daddy Rocks, 315 1st Av N;

Restaurant Entertainment Group Inc, dba Rosen's/The District, 430 1st Av N;

Brothers of Minneapolis Inc, dba Brothers, 430 1st Av N, Suite 100;

TGI Fridays of Minnesota Inc, dba TGI Fridays, 615 Hennepin Av;

Minneapolis Cafe LLC, dba Minneapolis Cafe, 1110 Hennepin Av;

Zuhrah Shrine Temple, dba Zuhrah Shrine Temple, 2540 Park Av;

Ballentine VFW Post 246, dba Ballentine VFW Post 246, 2916 Lyndale Av S;

On-Sale Liquor Class C-1 with Sunday Sales, to expire January 1, 2005

8th Street Garage Inc, dba 8th Street Grill & Tavern, 800 Marquette Av;

On-Sale Liquor Class C-1 with Sunday Sales, to expire July 1, 2005

Little Wagon Co Inc, dba Little Wagon, 418 S 4th St;

On-Sale Liquor Class C-2 with Sunday Sales, to expire July 1, 2005

Hubert's Inc, dba Huberts Bar & Grill, 601 Chicago Av;

On-Sale Liquor Class E with Sunday Sales, to expire April 1, 2005

Pizza Luce IV Inc, dba Pizza Luce, 2200 E Franklin Av;

On-Sale Liquor Class E with Sunday Sales, to expire July 1, 2005

Kour Inc, dba Jacob's 101 Restaurant, 101 Broadway St NE;

Complete Beverage Service Inc, dba J J's Dry Dock Cafe, 401 3rd St N;
Woman's Club of Mpls, dba Woman's Club of Mpls, 410 Oak Grove St;
Ramez Enterprises Inc, dba Arone's Bar, 500 Central Av NE;
Minnesota Vikings Ventures Inc, dba Minnesota Vikings Ventures Inc, 500 11th Av S;
FCA Restaurant Holdings LLC, dba Martini Blu, 615 2nd Av S;
U Otter Stop Inn Inc, dba U Otter Stop Inn, 617 Central Av NE;
Psycho Suzis Motor Lounge LLC, dba Psycho Suzis Motor Lodge, 2519 Marshall St NE;
Thao Brothers LLC, dba Sushi Tango, 3001 Hennepin Av;

On-Sale Liquor Class E with Sunday Sales, to expire October 1, 2005

Goodfellow's L L P, dba Goodfellow's, 40 S 7th St;
Vegas Inc, dba Vegas Lounge, 965 Central Av NE, 1st floor;
Di Napoli Lounge Inc, dba Di Napoli Lounge, 814 Hennepin Av;

On-Sale Wine Class E with Strong Beer, to expire August 14, 2004

Pizza Luce II Inc, dba Pizza Luce, 3200 Lyndale Av S (temporary expansion of premises with outdoor entertainment, August 14, 2004, Noon to 10:00 p.m.);

Off-Sale Beer, to expire April 1, 2005

RBF Corp of Wisconsin, dba Rainbow Foods, 1104 Lagoon Av;
Hammad and Carlson Food Inc, dba More Valu II, 2747 Bloomington Av;

Temporary On-Sale Beer

Borton Volvo, Mt Olivet Home for Seniors, 5428 Lyndale Av S (August 14, 2004, 5:00 p.m. to 10:00 p.m., fundraiser in 5400 block of Lyndale Av S);

Intermedia Arts of Minn Inc, dba Fundraiser, 2822 Lyndale Av S (August 21, 2004, 10:00 a.m. to 10:30 p.m. at Bryant Lake Bowl, Lake & Bryant);

Church of the Annunciation, dba Septemberfest, 509 W 54th St (September 11 & 12, 2004, Noon to 10:00 p.m.);

Vikings Children's Fund, dba Vikings Game Tailgating, 9520 Viking Dr, Eden Prairie (at tailgate lot located on 7th St to 4th Sts N & 3rd Av N to Railroad for ten days - August 14 & 27, 2004, 3:00 p.m. to 7:00 p.m.; September 12, 2004, 11:15 a.m. to 3:15 p.m.;

September 26, October 24 & 31, November 21 & 28, and December 12, 2004, 8:00 a.m. to Noon; and December 24, 2004, 10:00 a.m. to 2:00 p.m.).

Adopted 9/3/04.

Declining to Vote - Benson.

PS&RS - Your Committee recommends passage of the accompanying Resolution granting applications for Business Licenses.

Adopted 9/3/04.

Niziolek moved to amend the Petition on Page 64, #588, to postpone the application of Force Management LLC, dba Force Management, 4021 Vernon Av #308, St. Louis Park, MN, for a Motor Vehicle Immobilization Service License, to expire September 1, 2004. Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 9/3/04.

Resolution 2004R-392, granting applications for Business Licenses, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-392

By Niziolek

Granting applications for Business Licenses.

Resolved by The City Council of The City of Minneapolis:

That the following applications for business licenses (including provisional licenses) as per list on

file and of record in the Office of the City Clerk under date of September 3, 2004 be granted, subject to final inspection and compliance with all provisions of the applicable codes and ordinances (Petn No 269852):

Bed & Breakfast Facility; Car Wash; Dancing School; Caterers; Confectionery; Grocery; Food Manufacturer; Meat Market; Restaurant; Short-Term Food Permit; Seasonal Short Term Food; Vending Machine; Gasoline Filling Station; Heating, Air Conditioning & Ventilating Class A; Lodging House with Boarding; Motor Vehicle Repair Garage; Motor Vehicle Repair Garage with Accessory Use; Peddler - Foot; Pet Shop; Plumber; Residential Specialty Contractor; Resin Manufacturer; Secondhand Goods Class A; Secondhand Goods Class B; Antique Dealer Class B; Steam & Hot Water Systems Installer; Swimming Pool - Public; Taxicab Service Company; Theater Zone III; Tobacco Dealer; and Tree Servicing.

Adopted 9/3/04.

PS&RS - Your Committee recommends passage of the accompanying Resolution granting applications for Gambling Licenses.

Adopted 9/3/04.

Resolution 2004R-393, granting applications for Gambling Licenses, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-393

By Niziolek

Granting applications for Gambling Licenses.

Resolved by The City Council of The City of Minneapolis:

That the following applications for gambling licenses be granted, subject to final inspection and compliance with all provisions of the applicable codes and ordinances:

Gambling Class B

National Multiple Sclerosis Society, dba National Multiple Sclerosis Society, 200 12th Av S (Site: Augies, 424 Hennepin Av);

Minneapolis Jaycees Charitable Foundation, dba Minneapolis Jaycees Charitable Foundation, 2020 1st Av S (Site: Sidney's, 2120 Hennepin Av);

Gambling Lawful Exempt

Make-A-Wish Foundation of Minnesota, dba Make-A-Wish Foundation of Minnesota, 5155 E River Rd #413 (Raffle November 14, 2004 at International Market Square, 275 Market St);

Children's Theatre Company, dba Children's Theatre Company, 2400 3rd Av S (Raffle December 31, 2004);

Children's Heartlink, dba Children's Heartlink, 5075 Acadia Av (Raffle September 11, 2004 at Hilton Minneapolis, 1001 Marquette Av).

Adopted 9/3/04.

PS&RS - Your Committee, having under consideration the On-Sale Wine Class D with Strong Beer License held by Chatterbox Pub, 2229 E 35th St, now recommends that said license be subject to the condition that all activities in the outdoor area of the premises be discontinued at 10:00 p.m. each night.

Adopted 9/3/04.

Declining to Vote - Benson.

Approved by Mayor Rybak 9/7/04.

(Published 9/8/04)

PS&RS - Your Committee, having under consideration the On-Sale Liquor Class B with Sunday Sales License held by The Lakes Restaurant, Inc, dba Tonic of Uptown, 1402 W Lake St, and having received a request by the licensee to modify its Business Plan to allow a dance floor instead of a banquet area on the second floor; and a recommendation by the Licenses and Consumer Services Division to deny said request and further to downgrade the license from a Class B to a Class E, and to restrict the operating hours to no later than 11:00 p.m. each night, now recommends that the matter be referred to the Office of Administrative Hearings in order for a hearing to be held before an Administrative Law Judge.

Adopted 9/3/04.

Declining to Vote - Benson.

The **PUBLIC SAFETY & REGULATORY SERVICES** and **WAYS & MEANS/BUDGET** Committees submitted the following reports:

PS&RS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to accept reimbursement from Hennepin County through a 2002 Minnesota Anti-Terrorism Training Grant, in the amount of \$116,995.08, for costs incurred by the Fire Department to provide the Metro-Area Structural Collapse Technician training that was completed in May of 2004. Further, passage of the accompanying Resolution appropriating \$116,995.08 to the Fire Department.

Adopted 9/3/04.

RESOLUTION 2004R-394
By Niziolek and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled Resolution, as amended, be further amended by increasing the appropriation for the Fire Department Agency in the Grants - Other Fund (060-280-2800) by \$116,995.08 and increasing the Revenue Source (060-280-2800 - Source 3220) by \$116,995.08.

Adopted 9/3/04.

PS&RS & W&M/Budget - Your Committee, having under consideration the federal 2004 Law Enforcement Terrorism Prevention Program, now recommends that the proper City Officers be authorized to accept a grant award of \$100,000 and execute a grant agreement with the Minnesota Department of Public Safety, Division of Homeland Security and Emergency Management, for the purchase of equipment for the Police Department Bomb Unit for response to incidents involving hazardous materials. Further, passage of the accompanying Resolution appropriating \$100,000 to the Police Department.

Adopted 9/3/04.

RESOLUTION 2004R-395
By Niziolek and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled Resolution, as amended, be further amended by increasing the appropriation for the Police Department Agency in the Grants - Federal Fund (030-400-C005) by \$100,000 and increasing the Revenue Source (030-400-C005 - Source 3210) by \$100,000.

Adopted 9/3/04.

PS&RS & W&M/Budget - Your Committee, having under consideration the 2004 Urban Areas Security Initiative Grant, now recommends that the proper City Officers be authorized to accept a grant award of \$150,000 and execute a grant agreement with the Minnesota Department of Public Safety,

Police Department Bomb/Arson Unit for City and Statewide bomb disposal response. Further, passage of the accompanying Resolution appropriating \$150,000 to the Police Department.
Adopted 9/3/04.

RESOLUTION 2004R-396
By Niziolek and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:
That the above-entitled Resolution, as amended, be further amended by increasing the appropriation for the Police Department Agency in the Grants - Federal Fund (030-400-C005) by \$150,000 and increasing the Revenue Source (030-400-C005 - Source 3210) by \$150,000.
Adopted 9/3/04.

PS&RS & W&M/Budget - Your Committee, having under consideration a request by the Police Department to accept a \$30,000 *Safe & Sober* Grant from the Minnesota Department of Public Safety, Office of Traffic Safety, to pay overtime to Traffic Unit officers to increase enforcement targeting impaired drivers, juvenile and young adult violators, speed violations and other enforcement to reduce accidents and increase driver safety, now recommends:

PS&RS - that said grant acceptance be sent forward without recommendation.

W&M/Budget - that the proper City Officers be authorized to accept said grant award and execute a grant agreement. Further, passage of the accompanying Resolution appropriating \$30,000 to the Police Department.

Niziolek moved to amend the report to approve the Ways & Means/Budget Committee recommendation and to delete the Public Safety & Regulatory Services Committee recommendation. Seconded.
Adopted by unanimous consent.
The report, as amended, was adopted 9/3/04.

RESOLUTION 2004R-397
By Niziolek and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:
That the above-entitled Resolution, as amended, be further amended by increasing the appropriation for the Police Department Agency in the Grants - Federal Fund (030-400-DT13) by \$30,000 and increasing the Revenue Source (030-400-DT13 - Source 3210) by \$30,000.
Adopted 9/3/04.

PS&RS & W&M/Budget - Your Committee, having under consideration the Minnesota Gang Strike Force, now recommends that the proper City Officers be authorized to receive \$124,700 and execute the Gang Strike Force Grant Agreement with the State of Minnesota to fund one captain position and partially support up to six officers to serve on the Metro Gang Strike Force. Further, passage of the accompanying Resolution appropriating \$124,700 to the Police Department.
Adopted 9/3/04.

RESOLUTION 2004R-398
By Niziolek and Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled Resolution, as amended, be further amended by increasing the appropriation for the Police Department Agency in the Grants - Federal Fund (030-400-C007) by \$124,700 and increasing the Revenue Source (030-400-C007 - Source 3210) by \$124,700.

Adopted 9/3/04.

The **TRANSPORTATION & PUBLIC WORKS** Committee submitted the following reports:

T&PW - Your Committee recommends that the appropriate Public Works staff be directed to enter into an access agreement with the Minnesota Pollution Control Agency (MPCA) to utilize existing City-owned environmental monitoring wells for the purpose of ambient groundwater monitoring. (Petn No 269858)

Adopted 9/3/04.

T&PW - Your Committee, having under consideration a petition for streetscape improvements for Lake Street from 5th Av S to 21st Av S, now recommends the following:

a) Acceptance of a petition from the abutting property owners for the development of Base Level Streetscape improvements estimated to have a total cost of approximately \$385 per lineal foot of frontage, of which property owners have agreed to streetscape special assessments in an amount not to exceed \$175 per lineal foot of frontage, the remaining \$210 of which will be funded by a combination of the County's Roadside Enhancement Partnership Program, Federal TEA-21 funds, and local assessment (Petn No 269858); and

b) That the Public Works Department be directed to work with Hennepin County in developing bid documents and construction of the Base Level Streetscape improvements.

Adopted 9/3/04.

T&PW - Your Committee, having under consideration the Minnesota Department of Transportation (MnDOT) I-35W & Highway 62 Crosstown Commons Reconstruction Project, now recommends passage of the accompanying Resolution denying municipal approval of the April 16, 2004 Municipal Consent Package and recommending areas of modification. (Petn No 269858)

Lilligren moved to substitute a new Resolution for the above-mentioned Resolution. Seconded.

Adopted upon a voice vote.

Schiff moved that the substituted Resolution be amended by inserting a new paragraph 15 under the second resolved section to read as follows:

"15. The City holds that incorporating Light Rail Transit (LRT) into the 35W corridor is also an acceptable alternative and would provide the mitigation, congestion relief and other benefits attributed to Bus Rapid Transit above." and by renumbering the remaining final paragraph as number 16. Seconded.

Adopted upon a voice vote.

Zimmermann moved that the substituted Resolution, as amended, be further amended by adding an additional whereas clause to read as follows:

"Whereas, the City of Minneapolis proposes a single integrated phased transportation and transit project including transit/BRT from Lakeville to Downtown Minneapolis." Seconded.

Adopted upon a voice vote.

The report, with substitute resolution, as amended, was adopted 9/3/04.

Approved by Mayor Rybak 9/7/04.

(Published 9/8/04)

Resolution 2004R-399 denying municipal approval of the April 16, 2004 Municipal Consent Package submitted by the Minnesota Department of Transportation pertaining to the reconstruction of Interstate I-35W from 66th Street to 42nd Street and Trunk Highway 62 from Penn Avenue to Portland Avenue, referred to as the "I-35W & HWY62 Crosstown Commons Reconstruction" Project, was passed on 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-399

By Lilligren

Denying municipal approval of the April 16, 2004 Municipal Consent Package submitted by the Minnesota Department of Transportation pertaining to the reconstruction of Interstate I-35W from 66th Street to 42nd Street and Trunk Highway 62 from Penn Avenue to Portland Avenue, referred to as the "I-35W & HWY62 Crosstown Commons Reconstruction" Project.

Whereas, the Minnesota Department of Transportation submitted a Municipal Consent Package to the City of Minneapolis for approval on April 16, 2004 pertaining to the above-described "I-35W & Highway 62 Crosstown Commons Reconstruction" (the "project"), which Package included the layout for the proposed expansion dated April 16, 2004, which layout is on file with the City Engineer as S.P. 2782-281 (I35W/T.H.62) and a Municipal Consent Report, and attached the first section of the legislatively mandated Bus Rapid Transit (BRT) report, the Study Task I Report; and

Whereas the City Council held a public hearing pursuant to state statute on June 14, 2004 and now has the authority to approve or disapprove this project based on these submissions, public testimony, information contained in environmental review documents and comments and other evidence of record; and

Whereas, the proposed I-35W and TH62 project has evolved and changed over recent years, beginning with a "Preferred Alternative" for expansion of I-35W in 1995 that included Light Rail Transit, which failed due to lack of funding; then developing into a "Deferred Project" expanding I-35W from I-494 to 42nd Street in 1996, which was approved by the City Council (97R-109) on April 25, 1997 and was blocked by the Minnesota Legislature in 2001 due to concerns about capacity, extended closure of major movements and lack of transit planning; and then changing into the current proposal which was presented to the Legislature in January 28, 2002; and

Whereas, the Preferred Alternative for reconstruction of I-35W and TH62 was subject to an Environmental Impact Statement completed in 1995 and the Deferred Alternative was evaluated in a Final EIS Addendum in 1996; and

Whereas, the Minnesota Legislature, imposed a moratorium on the I-35W expansion and TH 62 "Deferred Project" in 2001 requiring that Mn/DOT limit construction to the right-of-way proposed for the prior project and include a transit component in the project (Minn. Sess. Laws 2001, Ch. 8, Art. 7, Sec. 2), and further required in the 2003 Special Session that Mn/DOT conduct a study on the feasibility of implementing a Bus Rapid Transit (BRT) system in the I-35W corridor including components such as exclusive right-of-way, accessible stations, traffic management on local streets and frequent bus operations, which study is not due to be completed until December 10, 2004 (Minn. Sess. Laws 2003, Ch.19, Art. 2, Sec. 71); and

Whereas, the City of Minneapolis unanimously adopted a Resolution on January 30, 2004 opposing any expansion or accommodation of future expansion of I-35W to more than four lanes in either direction at any point from downtown through Crosstown Trunk Highway 62, except in the case that a fifth lane in either or both directions would be dedicated to Bus Rapid Transit (BRT), or other mass transit, excluding all vehicles other than transit buses and high occupancy vehicles carrying three or more people (HOV 3) to the extent that HOV(3) vehicles do not reduce the speed of bus transit and that such dedication would be entered into a written agreement between Mn/DOT and the City to effectively guarantee that the fifth lane will not be converted or modified to allow other uses without the agreement of the City of Minneapolis (Minneapolis Resolution 2004R-035); and

Whereas the Mayor of Minneapolis and a majority of the City Council Members sent a letter to Mn/DOT Commissioner Carol Molnau on April 15, 2004 expressing the City's interest in explicit dedication of any fifth lane of I-35W to BRT/HOV(3) use, the need for funding stations and other facilities and operations for transit on I-35W and concerns about the need for analysis of air quality impacts of the project, to which the Commissioner responded expressing shared interest in "dedicating additional capacity in the I-35W corridor to bus transit and HOV(3) use," noting that the Bus Rapid Transit study was yet incomplete and suggesting that additional discussions take place, and

Whereas Mn/DOT and the Federal Highway Administration (FHWA) prepared a Draft Environmental Assessment, to which the Minneapolis City Attorney responded with a letter expressing staff concerns about its adequacy, and prepared an Environmental Assessment for the Crosstown Commons dated June 24, 2004, to which the City of Minneapolis responded with Comments dated August 19, 2004 requesting an Environmental Impact Statement due to the inadequacy of the Environmental Assessment and further requesting mitigation of environmental harms caused by the project; and

Whereas Mn/DOT, in collaboration with community representatives developed standards for design of the I-35W and TH62 expansion project, as reflected in the April 2001 I-35W Corridor Aesthetic Design Guide ("Design Guide") and Hennepin County and the City of Minneapolis developed regional and city standards pertaining to I-35W design, as reflected in the November 2002 Mitigation and Enhancements I-35W Access Project report ("Access Project Report"); and

Whereas, Mn/DOT has elected to view the project as a continuing project for purposes of environmental review but to view the project as a "new" project for purposes of the municipal consent process, which procedural claims are inconsistent; and

Whereas the Minneapolis City Council has reviewed and considered appropriate factual, legal and other background materials and makes the following findings and determinations, based on the evidence of record to date:

1. Since the Minnesota Department of Transportation has claimed that the project is a continuing project for purposes of environmental review requiring only a "supplemental" environmental impact statement if there is a finding of significant impact, Mn/DOT should have submitted the project for review as a continuing project under the applicable municipal consent law which was in effect prior to 2001.

2. Under the applicable municipal consent law, this project is not ripe for approval, since Mn/DOT did not submit more than one alternative layout plan as required pursuant to Minn. Stat. 2000, Section 161.174 and has not provided a final plan in response to issues raised in the public hearing on June 14, 2004 as required under Minn. Stat. 2000, Section 161.17, Subd. 2(b).

3. The project, as it pertains to construction of sections of Trunk Highway 62 that will be physically separate from Interstate 35W, is a project for construction of a trunk highway that "is not an interstate highway" for the purposes of Minnesota Statutes, 2003, Sections 161.165, 161.166 and Minnesota Statutes 2000, Sections 161.17 and 161.172.

4. Even under the municipal consent law that Mn/DOT suggests be applied in this case, municipal consent would be premature since Mn./DOT has failed to provide a "final layout" as required by Minn. Stat. 161.162, Subd. 1, which requires as part of the "final layout" "supplemental drawings" that show "character," "dimensions" "access" and "explanatory information" about the work being proposed and includes, among other elements in the "final layout," bridges, sidewalks, noise walls, estimated cost and transit considerations.

5. Granting municipal consent would be premature since the layout and municipal consent report submitted by Mn/DOT are incomplete in that they fail to address design, layout or funding for continuation of the fifth lane, the BRT/HOV(3) lane, through to Downtown.

6. Granting municipal consent would be premature since Mn/DOT and the FHWA have not completed an adequate analysis of the health and environmental justice impacts, including costs to individuals and taxpayers, of increased corridor vehicle traffic and air emissions, including mobile source air toxics and fine particle pollution, especially on people who live, worship or go to school near the expanding roadway.

7. Granting municipal consent would be premature since Mn/DOT, the FHWA and the City have not completed the analysis of the impacts of storm water runoff on receiving waters that are already classified as "impaired waters" and have not completed review of alternatives to mitigate flooding due to increased impermeable surface, particularly at the St. Mary's Tunnel, where flooding of I-35W and neighborhoods already occurs, even without additional runoff.

8. Granting municipal consent would be premature since the Bus Rapid Transit study required by the Legislature has not been completed and the proposed project may be inconsistent with or fail to fully consider its recommendations.

9. Granting municipal consent would be premature since the municipal consent report submitted by Mn/DOT is incomplete; it provides insufficient information to determine which mitigation and design elements are unfunded so that the level of budgetary impact on the City and other governmental entities cannot be reasonably estimated.

10. Even based on incomplete submission provided, the City of Minneapolis has determined that the project submission, including the proposed operating plan, is inconsistent with City policy and will create an unreasonable risk of impairing the health, safety and welfare of Minneapolis residents as set forth herein and in the documents attached and made part of this record.

11. The project is inconsistent with policy of the City as reflected in the City's January 30, 2004 resolution on Bus Rapid Transit (BRT) in that there is no provision for completion of the BRT station at 46th Street, no dedication of a lane exclusively for bus rapid transit and high occupancy vehicle use (BRT/HOV(3) lane), no continuation of a designated BRT/HOV(3) lane north of 50th Street and no provision for additional buses or increased transit service.

12. The project layout would appear to result in increased traffic and air emissions that will impair the health and welfare of Minneapolis residents, particularly those who live, go to school or worship adjacent to the expanded roadway, which impacts, including costs to individuals and taxpayers, are inadequately mitigated by providing transit facilities and operations.

13. The project layout would appear to result in congestion on I-35W (LOS E at 46th St, EA Table 14) due to the reduction from five to four lanes north of 46th Street (LOS E and F at 46th Street in 2030, EA Table 15), thus impairing the health, safety and welfare of Minneapolis residents.

14. The project layout would result in more than a 58-acre increase in impervious surface and additional storm water runoff that would appear to further impair water quality of receiving waters, including the Mississippi River and Diamond Lake which are already designated by the State as "impaired waters," requiring further mitigation to remove pollutants.

15. The project would appear to increase traffic on local streets, including 46th Street, Diamond Lake Road, 60th Street and Lyndale and to change local street traffic patterns throughout the corridor, but provides no analysis, plan or funding for traffic calming or traffic management on these, and other, local streets.

16. The project layout would appear to eliminate access from Lyndale Avenue to northbound I-35W and access from Portland to westbound Highway 62 and southbound I-35W, potentially impairing the vitality of Minneapolis neighborhoods.

17. The project layout would appear to maintain and create barriers to bicycle and pedestrian movement across I-35W, while not providing for sufficient sidewalk widths and shoulders to provide access and mitigate this impact.

18. The project layout appears to increase noise to levels that violate state standards adopted for the preservation of public health and welfare and to fall short of providing all reasonably available mitigation measures to abate noise as is required under state law.

19. The project layout is inconsistent with Hennepin County regional and City standards of design and mitigation reflected in the Design Guide and Access Project Report, including mitigation of traffic impacts on local streets, mitigation of impairments to pedestrian and bicycle access, mitigation of noise as well as aesthetic mitigation.

20. The project layout doesn't plan for or construct additional BRT stations that may be needed to provide full transit service to Minneapolis residents.

21. The project would appear to result in unnecessary takings of homes on 62nd Street between 3rd Avenue and 4th Avenue and the unnecessary taking of a business at 6150 Lyndale Avenue South, which takings are inconsistent with legislative requirements, pursuant to Minn. Sess. Laws 2001, Ch. 8, Art. 2, Sec. 1, Subd. 2(3); and

Whereas, the City of Minneapolis proposes a single integrated phased transportation and transit project including transit/BRT from Lakeville to Downtown Minneapolis;

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

That based on these findings the Minneapolis City Council disapproves the layout provided by Mn/DOT and denies municipal approval of the project to reconstruct Interstate 35W from 66th Street to 42nd Street and to reconstruct Trunk Highway 62 from Penn Avenue to Portland Avenue. The denial applies to both the interstate highway and trunk highway sections of the project. This project is identified as State Project 2782-281, Minnesota Project IM 0353(287) and referred to in the Municipal Consent Report submitted by the Minnesota Department of Transportation on April 16, 2004 as the "I-35W& HWY 62 Crosstown Commons Reconstruction" Project.

Be It Further Resolved that the City of Minneapolis, while reserving the right to assert procedural and environmental review objections, including but not limited to those set forth herein and making such request only in the alternative so as not to waive rights to object to the project and in furtherance of prior Council action, requests that the Minnesota Department of Transportation make the following modifications in the I-35W and Highway 62 project and design layout:

1. Design, obtain funding for and build I-35W highway expansion incorporating BRT/HOV(3) capital and operations including, but not limited to:

A. Bus Rapid Transit from Lakeville to downtown Minneapolis, additional capacity on I-35W in the form of a fifth BRT/HOV(3) lane in each direction up to the 94 Commons, and through the Crosstown and proposed Lake Street Access Project as a combined single project, known as the I-35W Corridor Improvement Project, whereby each of these elements is linked in concept, design, and construction.

B. Dedicating the fifth through lane in each direction described in the project layout for BRT/HOV(3) operation.

C. Dedicating the future fifth through lane in each direction in the I-35W corridor north of 46th St. into downtown Minneapolis for BRT/HOV(3) operation.

D. Designing the I-35W Corridor Improvement Project (fifth lane BRT/HOV(3) capacity through Downtown, BRT system capital and operational costs, Lake Street Access Project, environmental and aesthetic mitigation) to involve the Access Project Advisory Committee, Hennepin County and the City of Minneapolis in any design activity beyond the 30 percent level and, in particular, context design review. Designate Hennepin County as the agency responsible for design of the context sensitive design elements outside of the main line freeway, including, but not limited to, the Lake Street bridge, 38th Street bridge, and the measures set forth in Access Project Report.

E. Immediately releasing the next \$1 million of state design funds for completion of design activity related the Lake Street Access Project, as endorsed by the Access Project Advisory Committee, Hennepin County and the City of Minneapolis.

F. Constructing the I-35W Corridor Improvement Project including highway expansion, BRT/HOV(3) lanes, access improvements, environmental and aesthetic mitigation and enhancements, and BRT system capital and operating costs including associated local bus service operations as a single project, with appropriate staging, so that highway expansion does not begin until the entire package is funded.

G. Constructing a BRT station at 46th Street and as many other stations in Minneapolis as are needed to provide full transit services to Minneapolis residents — in no event fewer than two additional Minneapolis stations — in coordination with the Metropolitan Council, such that all stations and the BRT lanes serving them will be fully functional when the corresponding I-35W roadway work is complete.

H. Including the I-35W Corridor Improvement Project in the Metropolitan Council “Transportation Policy Plan” (TPP) and the Minnesota Department of Transportation “Metro Transportation System Plan” (TSP) and in Mn/DOT’s “State Transportation Improvement Plan” (STIP) and Mn/DOT’s “10-Year Highway Work Plan.”

I. Obtaining full funding for the I-35W Corridor Improvement Project that includes full costs for mitigation of environmental impacts and BRT/HOV(3) capital and operations, including:

a) Costs for transit service and capital improvements to achieve at least a 40 percent increase by 2015 (19,600 riders) and at least at doubling by 2020 (28,000 riders) of annual average transit ridership levels throughout the I-35W corridor and so as to achieve a minimum peak level of service of D throughout the I-35W Corridor Improvement Project.

b) Costs of transit infrastructure improvements – transit priority lanes, and transit stations and park/ride lots, including stations and adequate park-and-ride facilities consistent with the state-of-the-art requirements for a comparable corridor and transit facilities, eligible for state and federal highway funds.

c) Bus acquisition, passenger-waiting facilities and access to those facilities, which shall be included in the Metropolitan Council’s 10-year capital improvement program.

d) Operating costs of enhanced transit services in the I-35W corridor, which shall be included in the Metropolitan Council’s 10-year bus service expansion (2005-2014) cost estimates developed for the Transportation Policy Plan.

J. Committing to operate the new BRT/HOV(3) according to the following principles:

a) The additional fifth “through lane” capacity north of 46th St. and into downtown Minneapolis, combined with the proposed HOV capacity south of 46th St. to the terminus of existing HOV lanes in Burnsville, will be reserved for “priority transit/HOV(3)” use within the City of Minneapolis.

b) In determining operation of the new "priority transit/HOV(3)" capacity, first priority will be given to maintaining high quality service for bus transit operation, including, but not limited to, Bus Rapid Transit (BRT) service. This should result in the provision of enough transit capacity (a minimum of 160-180 buses per hour or more as necessary to meet the performance goals set for herein) traveling at posted speeds. Second priority will be given to accommodating HOV(3)'s without diminishing the quality of service for bus transit operation.

c) Future consideration of High Occupancy Toll ("HOT") Lane operation in the new "priority transit/HOV(3)" capacity shall only be considered to the extent authorized by State and Federal law, after FHWA approval, demonstration that such operation would not diminish speed or quality of bus transit or HOV(3) service and that all proceeds from HOT would be committed to Transit operations. The City opposes privatization of building or operation of HOT lanes, which creates a conflict of interest in promoting and providing proceeds for transit.

d) Operational details of the new "priority transit/HOV(3)" lanes will be determined through cooperative agreement with the Federal Highway Administration, the City of Minneapolis and Hennepin County. The agreement shall address and define, but not be limited to, the following issues: priority usage of the new "transit/HOV(3)" capacity (in accordance with principles outlined above); number of vehicle passengers defining an HOV in the corridor; quantitative parameters that describe "quality service" for bus transit and HOV(3) operation; goals/targets for successful transit/HOV(3) use; types and locations of transit stations in corridor; and types and amount of transit "rolling stock" necessary to successfully operate the new transit service.

2. Specify BRT/HOV(3) capital and operational commitments as mitigative measures in a revised Environmental Assessment or Environmental Impact Statement document.

3. Develop, in cooperation with City Public Works and community representatives, and fund a traffic management plan for local streets as part of project mitigation.

4. Study and construct, if requested by the City, of a turnback loop east of Portland to provide for lost connections to westbound Highway 62 and southbound I-35W.

5. Develop an alternative layout configuration to preserve homes on 62nd Street between 3rd and 4th Avenues and to permit redevelopment and preservation of the business at 6150 Lyndale Avenue South.

6. Design and fund as part of the project storm water treatment facilities to ensure access for maintenance of grit chambers, a maintenance agreement to assure efficacy, and disposal of material containing pollutants in coordination with City Public Works and Environmental Services and the NPDES process.

7. Develop and fund as part of the project a plan to further minimize negative water quality impacts through best management practices and regular monitoring, in coordination with City Public Works and Environmental Services.

8. Develop alternatives in cooperation with City Public Works and Environmental Services and fund as part of the project the means to eliminate flooding in the I-35W corridor, including possible reconstruction of St. Mary's Tunnel.

9. Revise the project layout to provide sidewalks of sufficient widths and on-street shoulders for bridges over and under I-35W, applying the Design Guide and Access Project Report standards for sidewalk widths and, where applicable, recommendations of the Bicycle Advisory Committee, including but not limited to the following:

- Diamond Lake Road Overpass: provide a 6' shoulder on each side for bicycle traffic;

- 60th Street Underpass: provide a 6' shoulder on each side for bicycle traffic;

- Nicollet Avenue Underpass: provide a 6' shoulder on each side for bicycle traffic;

10. Mitigate environmental and aesthetic impacts applying the standards in the Design Guide and Access Project Report with respect to noise walls and retaining walls, neighborhood gateways, bridges, landscaping, lighting, railings, paving and signage.

11. Replace trees throughout corridor to prevent net loss in carbon sequestration as well as to meet the standards of the Design Guide.

12. Design and construct Minnehaha Creek Bridge to mitigate impacts on park land, noise, water quality and aesthetics in cooperation with Minneapolis Park and Recreation Board and community representatives.

13. Identify measures to mitigate traffic, water quality, flooding, noise and aesthetic impacts of the project described above as mitigation in a revised Environmental Assessment or Environmental Impact Statement document.

14. Design mitigation and enhancement measures, including consideration of the I-35W Corridor Aesthetic Design Guide and measures identified as mitigation in the Environmental Assessment, committing no less than \$46 million (in 2004 dollars), to be fully funded and integrated in the project's costs.

15. The City holds that incorporating Light Rail Transit (LRT) into the 35W corridor is also an acceptable alternative and would provide the mitigation, congestion relief and other benefits attributed to Bus Rapid Transit above.

16. The City expressly reserves the right to identify other needed modifications based upon the completion of the inadequate environmental review provided to date, completion of the BRT Study and other analysis yet to be completed by Mn/DOT and FHWA as described herein.

Adopted 9/3/04.

Approved by Mayor Rybak 9/7/04.

The **TRANSPORTATION & PUBLIC WORKS** and **WAYS & MEANS/BUDGET** Committees submitted the following reports:

T&PW & W&M/Budget - Your Committee, having under consideration Public Works Property Services leasing activities, now recommends passage of the accompanying Resolution increasing the appropriation and revenue for the Property Services Capital Agency in the amount of \$70,000. The \$70,000 has been received by the Capital Improvements Fund as income from current property leases in 2004.

Adopted 9/3/04.

RESOLUTION 2004R-400
By Colvin Roy and Johnson

Amending the 2004 Capital Improvement Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled Resolution, as amended, be further amended by increasing the PW - Property Services Agency in the Permanent Improvement Projects (4100-923-9242) by \$70,000 and increasing the revenue source (6200-680-6826 - Source 3480) by \$70,000.

Adopted 9/3/04.

T&PW & W&M/Budget - Your Committee, having under consideration the Municipal Parking System, with staff recommendations as follows:

a) That the proper City officers be authorized to issue a Request for Proposals (RFPs) to solicit proposals for the operation and management of said parking system, contingent upon the approval of the RFP by the Permanent Review Committee; and

b) That the proper City officers evaluate the proposals, select the suitable candidate, and make recommendation to the City Council;

now recommends:

T&PW: Approval.

W&M/Budget: That the City exercise the option to continue with the current operator (Municipal Parking, Inc.) for the final year of their contract, and issue a request for proposals in one year.

Colvin Roy moved that the report be amended to approve the Ways & Means/Budget Committee recommendation and to delete the Transportation & Public Works Committee recommendation. Seconded.

Adopted by unanimous consent.

Johnson moved a substitute motion that the Ways & Means/Budget recommendation be amended to read as follows:

- "1) Grant the last year option to the existing contract;
- 2) Negotiate new terms to the last year option to existing contract;
 - Hold meetings with current parking operator to develop a modified contract
 - Conclude efforts by September 28, 2004
 - Report back to City Council

3) Continue to develop RFP and authorize its public release after review by the Permanent Review Committee (PRC) and report to Transportation & Public Works regarding goals of RFP." Seconded. Adopted by unanimous consent.

Lane moved to amend the substituted Ways & Means/Budget Committee recommendation by adding a direction to staff to report back to the City Council on 9/24/04 with respect to the three options for Council decision. Seconded.

Lost. Yeas, 4; Nays, 9 as follows:

Yeas: - Benson, Lane, Zerby, Ostrow.

Nays - Niziolek, Goodman, Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Lilligren, Johnson Lee.

Zimmermann moved to amend the substituted Ways & Means/Budget Committee recommendation by adding the following language to Item 1:

"contingent upon the successful negotiation of new terms of the last year option of the existing contract." Seconded.

Lost. Yeas, 6; Nays, 7 as follows:

Yeas: - Niziolek, Benson, Lane, Zimmermann, Zerby, Ostrow.

Nays - Goodman, Samuels, Johnson, Colvin Roy, Schiff, Lilligren, Johnson Lee.

The report, as amended, was adopted 9/3/04. Yeas, 10; Nays, 3 as follows:

Yeas - Niziolek, Benson, Goodman, Samuels, Johnson, Colvin Roy, Zimmermann, Schiff, Lilligren, Johnson.

Nays - Lane, Zerby, Ostrow.

T&PW & W&M/Budget - Your Committee recommends passage of the accompanying Resolution approving bids submitted to the Public Works Department, all in accordance with City specifications. Adopted 9/3/04.

Approved by Mayor Rybak 9/7/04.

(Published 9/8/04)

Resolution 2004R-401 granting approval of the bids for stormwater treatment chambers, water treatment plant residual lagoons, and the installation of granite pavers, was passed on 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-401
By Colvin Roy and Johnson

Granting approval of the bids for projects and/or services for the City of Minneapolis.

Resolved by The City Council of The City of Minneapolis:

That the following be accepted and that the proper City officers be authorized to execute contracts for the projects and/or services, in accordance with City specifications, and contingent upon approval of the Civil Rights Department. (Petn No 269859)

a) OP #6289, Accept low responsive bid of CDS Technologies, Inc. in the amount of \$165,975, to furnish and deliver storm water treatment chambers;

b) OP #6300, Accept the low bid of Landwehr Construction, Inc. in the amount of \$1,695,685 to furnish and deliver all labor, materials, equipment, and incidentals necessary for the construction of water treatment plant residual lagoons; and

c) OP #6308, Accept bid of Twin City Tile and Marble Company for an estimated expenditure of \$60,000 to furnish and deliver the removal of mosaic tiles and installation of granite pavers.

Adopted 9/3/04.

Approved by Mayor Rybak 9/7/04.

The **WAYS & MEANS/BUDGET** Committee submitted the following reports:

W&M/Budget - Your Committee recommends passage of the accompanying resolution approving legal settlements, as recommended by the City Attorney.

Adopted 9/3/04.

Resolution 2004R-402, approving legal settlements with Architectural Alliance and Cain Ouse, Inc., Ahmed Ibrahim, Joshua Taylor and Alice Hayes, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-402
By Johnson

Approving legal settlements.

Resolved by The City Council of The City of Minneapolis:

That the recommendation of the City Attorney to settle the following legal matters be approved and payments authorized as indicated:

a) Partial settlement of the claim against Architectural Alliance and Cain Ouse, Inc. (mechanical Contractor and consultant to Architectural Alliance), by City acceptance of \$40,000 and \$100 from Knutson Construction;

b) Ahmed Ibrahim, by payment of \$3,900 to Mr. Ibrahim and his attorney Michael Hager;

c) Joshua Taylor, by payment of \$9,000 to Mr. Taylor and his attorney Robert Bennett;

d) Alice Hayes as Trustee for the Estate of Sean Flannery Hayes, by payment of \$6,000 to Ms Hayes and her attorney Albert T. Goins.

Be It Further Resolved that the City Attorney is authorized to execute any documents necessary to effectuate the settlements.

Adopted 9/3/04.

W&M/Budget - Your Committee recommends that the proper City officers be authorized to enter into a contract with FedEx Kinkos for providing a business center at the Minneapolis Convention Center, effective upon the successful negotiation and execution of a formal contract, at no cost to the City.

Adopted 9/3/04.

W&M/Budget - Your Committee recommends that the proper City officers be authorized to amend Contract #C-20167 with The Records Link by \$60,000 to continue the provision of assistance to the Business Information Services Department on the Enterprise Content Management system project.

Adopted 9/3/04.

W&M/Budget - Your Committee recommends that the City's contract with Unisys for business information services specifically related to the Net Motion Project (Contract #C-18881) be increased by \$3,000, for a new contract total of \$137,754.

Adopted 9/3/04.

W&M/Budget - Your Committee, having under consideration the Heritage Park Project and property required for right-of-way activities, now recommends approval of settlement terms and amounts for

acquisition of portions of properties at City View Apartments (1146 Emerson Av N) and Summit Academy OIC (901, 921 & 1101 Olson Memorial Highway) (as further described in Petn No 269864)
Adopted 9/3/04.

W&M/Budget - Your Committee, having under consideration the Covering All Kids and Families Project at the New Family Center, now recommends that the proper City Officers be authorized to accept up to \$130,000 in foundation funds from the Children's Defense Fund to assist new arrival families with immunizations, applications for health insurance, and referrals to medical and other community services during the period July 1, 2004 through June 30, 2005. Further, passage of the accompanying Resolution appropriating \$130,000 to Health & Family Support.
Adopted 9/3/04.

RESOLUTION 2004R-403
By Johnson

Amending The 2004 General Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:
That the above-entitled Resolution, as amended, be further amended by increasing the appropriation for the Health & Family Support Agency in the Grants - Other Fund (060-860-8621) by \$130,000 and increasing the Revenue Source (060-860-8621 - Source 3720) by \$130,000.
Adopted 9/3/04.

W&M/Budget - Your Committee recommends that the proper City Officers be authorized to submit a grant application to the National Institutes of Health seeking up to \$275,000 to research a screening and referral mechanism to identify and respond to women who experience depression and other mental health problems during pregnancy and the postpartum period, and to refer women at risk to mental health providers.
Adopted 9/3/04.

The **ZONING & PLANNING** Committee submitted the following reports:

Z&P - Your Committee, having under consideration the appeal filed by Greg Leonard, for Sabri Properties, LLC, from the decision of the Planning Commission which denied an application for conditional use permit to allow a farmer's market at 206 Elroy St (part of Karmel Plaza, 206 Elroy St and 2920-28 Pillsbury Ave S), now recommends that said appeal be denied, and the conditional use permit not be granted.

Schiff moved to amend the report by adding the following paragraph: "Your Committee further recommends that the Findings of Fact prepared by the City Attorney and on file in the Office of the City Clerk be made a part of this report by reference." Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 9/3/04.

Z&P - Your Committee, having under consideration the appeal filed by Whittier Alliance from the decision of the Planning Commission which approved the applications of Sabri Properties, LLC for conditional use permit to allow 69 dwelling units, and site plan review application for 72 dwelling units at 206 Elroy St (part of Karmel Plaza, 206 Elroy St and 2920-28 Pillsbury Ave S), now recommends:

a) that the appeal related to the conditional use permit for 69 dwelling units be denied, and the permit be approved; and

b) that the appeal related to site plan review be granted in part for approval of a site plan for 69 units, with an additional modification from the City Planning Commission's condition of approval of the site plan that the final height of the building shall be agreed upon between staff and the developer and is limited to one of three options, in that option 6.3 be amended such that the height may be up to 47 feet if the

fourth story is set back between 14 to 26 feet further from the top of the third story, as necessary to minimize shadowing of the Midtown Greenway pedestrian and bicycle paths. The Planning Commission's alternative height options, 6.1 and 6.2 are deleted.

Schiff moved to a substitute the following report for the above report. Seconded.

Adopted. Yeas, 7; Nays, 6 as follows:

Yeas - Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Ostrow.

Nays – Niziolek, Benson, Goodman, Lane, Samuels, Zimmermann.

VETOED BY THE MAYOR

Z&P - Your Committee, having under consideration the appeal filed by Whittier Alliance from the decision of the Planning Commission which approved the applications of Sabri Properties, LLC for conditional use permit to allow 69 dwelling units, and site plan review application for 72 dwelling units at 206 Elroy St (part of Karmel Plaza, 206 Elroy St and 2920-28 Pillsbury Ave S), now recommends:

a) that the appeal related to the conditional use permit for 69 dwelling units be granted; and

b) that the appeal related to site plan review, seeking denial of the site plan, be granted.

Adopted 9/3/04. Yeas, 7; Nays, 6 as follows:

Yeas - Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Ostrow.

Nays – Niziolek, Benson, Goodman, Lane, Samuels, Zimmermann.

Vetoed by Mayor Rybak 9/9/04.

(See Unfinished Business next meeting)

Lilligren moved that the City Attorney's Office be directed to draft findings in support of the City Council's actions of September 3, 2004 regarding the applications of Sabri Properties, LLC for conditional use permit, site plan review and rezoning relating to Karmel Plaza, 206 Elroy St and 2920-28 Pillsbury Ave S, for adoption at the City Council meeting of September 24, 2004. Seconded.

Adopted 9/3/04.

NOT APPROVED BY THE MAYOR.

CITY OF MINNEAPOLIS
CERTIFICATION

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) ss
CITY OF MINNEAPOLIS)

I, STEVEN J. RISTUBEN, Acting City Clerk of the City of Minneapolis, County of Hennepin, State of Minnesota, do hereby certify that a motion directing the City Attorney to draft findings in support of the City Council's actions of September 3, 2004 regarding applications of Sabri Properties, LLC for conditional use permit, site plan review and rezoning relating to Karmel Plaza, 206 Elroy St and 2920-28 Pillsbury Ave S, as acted upon by the City Council of Minneapolis, Minnesota, and designated as "Not Approved by the Mayor", for his approval and signature as such Mayor; that Mayor Rybak did not thereafter, within five days, Sundays excepted, approve or sign such action within the time specified.

Therefore, in accordance with the provisions of Chapter 3, Section 1, of the City Charter, said action has become and is valid, and I hereby certify that it has the same force and effect as if approved by said Mayor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said City, this 10th day of September, 2004.

STEVEN J. RISTUBEN, Acting City Clerk.

Z&P – Your Committee concurs in the recommendation of the Planning Commission granting the petition of Basim Sabri (BZZ-1796) to rezone the property at 206 Elroy St and 2920-28 Pillsbury Ave S by adding the Industrial Living Overlay District to the existing I1 District to permit a mixed-use, light industrial development with retail, restaurant, dwelling units and below grade parking, and adopting the related findings prepared by the Department of Community Planning & Economic Development.

Your Committee further recommends passage of the accompanying ordinance amending the Zoning Code.

Schiff moved to substitute the following report for the above report. Seconded.

Adopted. Yeas, 7; Nays, 6 as follows:

Yeas - Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Ostrow.

Nays – Niziolek, Benson, Goodman, Lane, Samuels, Zimmermann.

VETOED BY THE MAYOR

Z&P – Your Committee, having under consideration the recommendation of the Planning Commission to grant the petition of Basim Sabri (BZZ-1796) to rezone the property at 206 Elroy St and 2920-28 Pillsbury Ave S by adding the Industrial Living Overlay District to the existing I1 District to permit a mixed-use, light industrial development with retail, restaurant, dwelling units and below grade parking, now recommends that said petition be denied.

Adopted 9/3/04. Yeas, 7; Nays, 6 as follows:

Yeas – Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Ostrow.

Nays – Niziolek, Benson, Goodman, Lane, Samuels, Zimmermann.

Vetoed by Mayor Rybak 9/9/04.

(See Unfinished Business next meeting)

Z&P – Your Committee concurs in the recommendation of the Planning Commission granting the petition of Horty Investment Partnership, LLP (BZZ-1830) to rezone the property at 505 E Grant St, 1307 – 5th Ave S and 1321 – 5th Ave S from R6 and OR2 to the OR3 District to permit a 136-unit residential tower attached to the exiting office building, and adopting the related findings prepared by the Department of Community Planning & Economic Development.

Your Committee further recommends passage of the accompanying ordinance amending the Zoning Code.

Adopted 9/3/04.

Ordinance 2004-Or-105, amending Title 20, Chapter 521 of the Minneapolis Code of Ordinances relating to *Zoning Code: Zoning Districts and Maps Generally*, rezoning the property at 505 E Grant St, 1307 – 5th Ave S and 1321 – 5th Ave S to the OR3 District, was passed 9/3/04 by the City Council. A complete copy of this ordinance is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized ordinance.

ORDINANCE 2004-Or-105

By Schiff

1st & 2nd Readings: 9/3/04

Amending Title 20, Chapter 521 of the Minneapolis Code of Ordinances relating to Zoning Code: Zoning Districts and Maps Generally.

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That Section 521.30 of the above-entitled ordinance be amended by changing the zoning district for the following parcel of land, pursuant to MS 462.357:

A. Lot 6, 7, 8, 9 and 10, Block 8, Butler's Second Addition and one-half of 1987 vacated alley (505 E Grant St, 1307 – 5th Ave S and 1321 – 5th Ave S – Plate 20) to the OR3 District.

Adopted 9/3/04.

Z&P - Your Committee, having under consideration the process for the Pillsbury A Mill Complex Project Environmental Impact Statement (EIS), a development bounded generally by Main and 2nd Sts SE and 3rd to 6th Aves SE, now recommends approval of the Draft Scoping Decision Document for the EIS as set forth in Petn No 269867, as amended to delete Item "E.6." which would require the EIS to

address an alternative that assumes the project is modified to allow the preservation of the elevators that are currently proposed to be demolished for the project.

Adopted 9/3/04.

MOTIONS

Johnson moved that the regular payrolls for all City employees under City Council jurisdiction for the month of October, 2004, be approved and ordered paid subject to audit by the Finance Officer. Seconded.

Adopted 9/3/04.

Colvin Roy moved that Resolution No. 2004R-346 entitled, "Authorizing the proper City officers to execute a Force Account Agreement with the Minnesota Department of Transportation to allow City crews to do work and get reimbursed with Federal funds", passed August 6, 2004, be rescinded due to inaccurate information on those authorized to execute and enter into an agreement with the Commissioner of Transportation allowing the City of Minneapolis to use existing Federal funds for eligible transportation related projects.

Colvin Roy further moved passage of the accompanying resolution to reflect the proper City officer authorized to execute and enter into the above-mentioned agreement with the Commissioner of Transportation. Seconded.

Adopted 9/3/04.

RESOLUTION 2004R-404 By Colvin Roy and Johnson

Rescinding Resolution 2004R-346 entitled, "Authorizing the proper City officers to execute a Force Account Agreement with the Minnesota Department of Transportation to allow City crews to do work and get reimbursed with Federal funds", passed August 6, 2004.

Resolved by The City Council of The City of Minneapolis:
That the above-entitled resolution be and is hereby rescinded.
Adopted 9/3/04.

Resolution 2004R-405, vacating a portion of the North-South alley, as dedicated, in Block 4 of Allan and Anderson's Second 2nd Addition to Minneapolis lying North of the Easterly extension of the South line of Lot 19 also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co, as amended to reflect accurate legal description, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-405 By Colvin Roy and Johnson

Authorizing the proper City officers to execute a Force Account Agreement with the Minnesota Department of Transportation to allow City crews to do work and get reimbursed with Federal funds"

Resolved by The City Council of The City of Minneapolis:
That pursuant to Minnesota Statutes Section 161.36, the Commissioner of Transportation be appointed as agent of the City of Minneapolis to accept, as its agent, Federal aid funds which may be made available for eligible transportation related projects.

Be it Further Resolved, that the Finance Officer is hereby authorized and directed for and on behalf of the City to execute and enter into an agreement with the Commissioner of Transportation prescribing

the terms and conditions of said Federal aid participation as set forth and contained in "Minnesota Department of Transportation Agency Agreement Number 86814," a copy of which said agreement was before the City Council and which is made a part hereof by reference.

Adopted 9/3/04.

Schiff moved that Resolution No. 2004R-288 entitled, "Vacating a portion of the North-South alley, as dedicated, in Block 4 of Allen and Anderson's Addition lying North of the Easterly extension of the South line of Lot 19 also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co.," passed June 18, 2004, be rescinded due to inaccurate legal description. Resolution No. 2004R-288 relates to a planned commercial development by Ryan Companies US, Inc for property at 826 and 1010 E Lake St, 2901-10th Ave S and 2843 Elliot Ave S.

Schiff further moved passage of the accompanying resolution vacating a portion of the North-South alley, as dedicated, in Block 4 of Allan and Anderson's Second 2nd Addition to Minneapolis lying North of the Easterly extension of the South line of Lot 19 also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co., as amended to reflect the accurate legal description.

Seconded.

Adopted 9/3/04.

RESOLUTION 2004R-406

By Schiff

Rescinding Resolution No. 2004R-288 entitled, "Vacating a portion of the North-South alley, as dedicated, in Block 4 of Allen and Anderson's Addition lying North of the Easterly extension of the South line of Lot 19 also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co.," passed June 18, 2004.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution be and is hereby rescinded.

Adopted 9/3/04.

Resolution 2004R-407, vacating a portion of the North-South alley, as dedicated, in Block 4 of Allan and Anderson's Second 2nd Addition to Minneapolis lying North of the Easterly extension of the South line of Lot 19 also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co, as amended to reflect accurate legal description, was passed 9/3/04 by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-407

By Schiff

Vacating a portion of the North-South alley, as dedicated, in Block 4 of Allan and Anderson's Second 2nd Addition to Minneapolis lying North of the Easterly extension of the South line of Lot 19 also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co.

Resolved by The City Council of The City of Minneapolis:

That part of the North-South alley, as dedicated, in Block 4 of Allan and Anderson's Second 2nd Addition to Minneapolis lying North of the Easterly extension of the South line of Lot 19.

Also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co. in Document 3760965 as follows: Beginning at a point on the Westerly line of Lot 21, Block 4, Allan and Anderson's Second 2nd Addition to Minneapolis, nine feet Southerly of the Northwest corner of said Lot 21, thence East along a line distant nine feet from and parallel with the North line of said Lot 21 to the Easterly Line of said lot, thence south along the Easterly line of said lot a distance of 20 feet, thence West along a

line 29 feet south of and parallel with the North line of said Lot 21 to the West line of said Lot 21, thence North along the West line of said Lot 21 to the point of beginning, and there terminating; and Beginning at the West line of the North-South alley in Block 4, said addition, where such line intersects with a line 29 feet Southerly of and parallel with the North line of said Lot 21, thence West along said parallel line a distance of 18 feet, thence Southeasterly to a point on the Westerly line of said North South alley 45 feet South from the point of beginning, thence North along said Westerly line to the point of beginning, and there terminating, subject to retention of an easement by Xcel Energy is hereby vacated except that such vacation shall not affect the existing authority of Xcel Energy, their successors and assigns, to enter upon that portion of the afore described utilities which is described in regard to each of said corporations as follows, to wit:

An easement in favor of Xcel Energy: That part of the North-South alley, as dedicated, in Block 4 of Allan and Anderson's Second 2nd Addition to Minneapolis lying North of the Easterly extension of the South line of Lot 19.

Also that part of the alley conveyed to the City of Minneapolis by Sears, Roebuck & Co. in Document 3760965 as follows: Beginning at a point on the Westerly line of Lot 21, Block 4, Allan and Anderson's Second 2nd Addition to Minneapolis, nine feet Southerly of the Northwest corner of said Lot 21, thence East along a line distant nine feet from and parallel with the North line of said Lot 21 to the Easterly Line of said lot, thence south along the Easterly line of said lot a distance of 20 feet, thence West along a line 29 feet south of and parallel with the North line of said Lot 21 to the West line of said Lot 21, thence North along the West line of said Lot 21 to the point of beginning, and there terminating; and

Beginning at the West line of the North-South alley in Block 4, said addition, where such line intersects with a line 29 feet Southerly of and parallel with the North line of said Lot 21, thence West along said parallel line a distance of 18 feet, thence Southeasterly to a point on the Westerly line of said North South alley 45 feet South from the point of beginning, thence North along said Westerly line to the point of beginning, and there terminating, to operate, maintain, repair, alter, inspect or remove its above-described utility facilities and said easement right and authority is hereby expressly reserved to each of the above-named corporations, and no other person or corporation shall have the right to fill, excavate, erect buildings or other structures, plant trees or perform any act which would interfere with or obstruct access to said public alley upon or within the above-described areas without first obtaining the written approval of the corporation(s) having utility facilities located within the area involved authorizing them to do so.

Adopted 9/3/04.

Johnson introduced the subject matter of an ordinance amending Title 2, Chapter 20 of the Minneapolis Code of Ordinances relating to *Administration: Personnel*, which was given its first reading and referred to the Ways & Means/Budget Committee for a public hearing to be held September 20, 2004 (Adding a section relating to a retirement incentive for the Community Planning & Economic Development Department).

Colvin Roy introduced the subject matter of an Ordinance amending Title 18, Chapter 478, Article IX, of the Minneapolis Code of Ordinances relating to *Traffic Code: Parking, Stopping and Standing, Snow Emergency Regulations*, which was given its first reading and referred to the Transportation & Public Works Committee (Eliminating the alternating odd/even parking restrictions to maintain consistency from year to year)

Niziolek introduced the subject matter of an Ordinance amending Title 12, Chapter 244, Article XVI, of the Minneapolis Code of Ordinances relating to *Housing: Maintenance Code: Rental Dwelling Licenses*, which was given its first reading and referred to the Public Safety & Regulatory Services Committee (Amending Section 244.2020 relating to conduct on licensed premises).

Samuels moved to waive the 4-day filing time as required by Chapter 455 of the Minneapolis Code of Ordinances for applicant Ami Lynn Voeltz for a residential block event to be held Saturday,

September 4, 2004, between the hours of 10:00 a.m. and 10:00 p.m. on James Avenue North between Illion and 23rd Avenues North, subject to conditions. Seconded.
Adopted 9/3/04.

UNFINISHED BUSINESS

Spincycle Coin Laundry (2937 Dupont Av S): **Sent forward without recommendation** application for Laundry License (Postponed 2/13/04, PS&RS)

Marshall River Run Project (1424 and 1448 Marshall St NE): Passage of Resolution granting final approval to issue up to \$7,600,000 in tax-exempt Multifamily Housing Development Bonds. (Postponed 7/23/04, CD)

La Bodega Tapas Bar (3005 Lyndale Av S): **Sent forward without recommendation** application for On-Sale Liquor Class C-1 with Sunday Sales License (Regular expansion of premises) (Postponed 7/23/04, PS&RS)

By unanimous consent, the above three items continued to be postponed.

NEW BUSINESS

Schiff introduced an Ordinance amending Title 21 of the Minneapolis Code of Ordinances relating to *Interim Ordinances* by adding a new Chapter 579, providing for a moratorium on new development in the Floodplain Overlay District, which was given its first reading and referred to the Zoning & Planning Committee (To maintain the City's eligibility in the National Flood Insurance Program until such time as permanent amendments to the FP Overlay District regulations can be adopted). (Previously introduced at Zoning & Planning Committee 8/26/04)

Ostrow moved to adjourn to Room 315 City Hall immediately following the Minneapolis Community Development Agency Board of Commissioners meeting to consider the *Kellington Construction vs. City of Minneapolis* lawsuit. Seconded.

Adopted upon a voice vote.

Room 315 City Hall
Minneapolis, Minnesota
September 3, 2004 - 12:45 p.m.
The Council met pursuant to adjournment.
President Ostrow in the Chair.

Present - Niziolek, Benson, Lane, Samuels (Out at 1:04), Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Ostrow.

Absent - Goodman, Johnson Lee.

Also present - Jay Heffern, City Attorney; Peter Ginder, Acting Deputy City Attorney; John M. LaFevre, Kennedy & Graven, Outside Counsel; Merry Keefe, City Clerk; Peter Wagenius (Out at 12:54); Jan Hrnrcir, City Clerk's Office.

Heffern stated that the meeting may be closed for the purpose of discussing attorney-client privileged matters involving the *Kellington Construction vs. City of Minneapolis* lawsuit.

At 12:47 p.m., Lilligren moved that the meeting be closed. Seconded.

Adopted upon a voice vote.

John LaFevre summarized the *Kellington Construction vs. City of Minneapolis* lawsuit from 12:47 p.m. to 1:16 p.m.

SEPTEMBER 3, 2004

Ostrow moved that the meeting be opened. Seconded.
Adopted upon a voice vote.

The adjourned session of the City Council meeting was tape recorded with the tape on file in the office of the City Clerk.

Ostrow moved to adjourn. Seconded.
Adopted upon a voice vote.

Merry Keefe,
City Clerk.

Unofficial Posting: 9/7/2004
Official Posting: 9/10/2004
Corrections: 10/05/2004;10/06/2004