

MINNEAPOLIS CITY COUNCIL OFFICIAL PROCEEDINGS

REGULAR MEETING OF JUNE 6, 2003

(Published June 14, 2003, in *Finance and Commerce*)

Council Chamber
350 South 5th Street
Minneapolis, Minnesota
June 6, 2003 - 9:30 a.m.

Council President Ostrow in the Chair.

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

Absent - Johnson.

Lilligren moved acceptance of the minutes of the regular meeting held 5/16/03. 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 (268813)

Focus Minneapolis Initiative: Receive and File status report.

COMMUNITY DEVELOPMENT and WAYS & MEANS/BUDGET:

COMMUNITY DEVELOPMENT AGENCY, MINNEAPOLIS (MCDA) (268815)

Development Funding Cycle, June 2003: Receive and File report.

COMMUNITY DEVELOPMENT (See Rep):

COMMUNITY DEVELOPMENT AGENCY, MINNEAPOLIS (MCDA) (268814)

Heritage Park, Phase 2 Project: Final approval to issue bonds.

Low Income Housing Tax Credit Manual: Approve manual and Qualified Allocation Plan, and authorize issuance of Request for Proposals.

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

COMMUNITY DEVELOPMENT AGENCY, MINNEAPOLIS (MCDA) (268816)

Development Funding Cycle, June 2003: Commercial Corridor loan for Snyder Drug Stores, Inc.

Development Funding Cycle, June 2003: MILES funding for Seward South Industrial Park.

Development Funding Cycle, June 2003: Refer to MCDA Board to select Cedar Lake Development Partners' proposal, continue analysis of Phase 1 of redevelopment proposal, and execute Preliminary Agreement to negotiate.

COMMUNITY DEVELOPMENT AGENCY, MINNEAPOLIS (MCDA) (268817)

Heritage Park (formerly Hollman) Project: Adopt Modification #1 to Housing Transition Tax Increment Finance Plan, authorize issuance of bonds, authorize tax increment pledge agreement, waive 3.0% administrative fee, and increase appropriation.

West Lowry Avenue Redevelopment Plan: Resolution adopting plan.

West Side Milling Project: Adopt Modification #2 to Tax Increment Finance Plan, authorize issuance of bonds, authorize tax increment pledge agreement, and increase appropriation.

COORDINATOR (268818)

Implementation Plan/Process for Minneapolis Empowerment Zone Designation: Designate Community Planning & Economic Development Department as lead entity for EZ initiative.

GRANTS AND SPECIAL PROJECTS (268819)

Metropolitan Council Livable Communities Demonstration Account Grant Program: Approve submitting grant applications for various projects and elimination of Colin Power Youth Leadership Center unless proposal includes housing.

HEALTH AND HUMAN SERVICES:

HEALTH AND FAMILY SUPPORT SERVICES (268820)

Curfew Truancy Center: Update.

HEALTH AND HUMAN SERVICES (See Rep):

HEALTH AND FAMILY SUPPORT SERVICES (268821)

Airline Industry Dislocated Worker Services: Execute Modification #3 to Grant Agreement with Hennepin County adding \$96,000 to expand services to airport security and other airline industry workers laid off; and Execute new agreement with Hennepin County to receive \$32,000 for services to Northwest Airline and related layoffs beginning in 2003, to be provided through two Minneapolis Workforce Centers.

Welfare-to-Work: Execute Amendment #1 to Contract with Hennepin County, Welfare-to-Work Joint Powers Agreement, to increase funding by \$42,000 for career development facilitator training for counselors during period July 1, 2002 through June 30, 2003.

HEALTH AND HUMAN SERVICES and WAYS & MEANS/BUDGET (See Rep):

HEALTH AND FAMILY SUPPORT SERVICES (268822)

Lead Outreach Grant Program: Authorize submit grant application seeking up to \$500,000 from United States Department of Housing and Urban Development to increase enrollment of low-income housing units, through lead hazard outreach and educational activities, into home lead abatement and treatment programs.

INSPECTIONS DEPARTMENT (268823)

Announced Inspection Strategies for Risk 1 Establishments: Accept grant award of \$50,000 from National Association of County and City Health Officials to implement announced inspections; and Approve appropriation.

Lead Hazard Control Grant: Authorize collaborate as sub-grantee with Hennepin County in submission of grant request to United States Department of Housing and Urban Development seeking up to \$3 million for lead hazard assessment and control activities.

Healthy Homes Grant: Authorize collaborate as sub-grantee with St. Paul Ramsey County Public Health Department in submission of grant request to United States Department of Housing and Urban Development seeking up to \$1 million for demonstration project providing environmental assessments for asthmatic children, remediation of hazards, education on home environment and associated services in homes of daycare providers.

INTERGOVERNMENTAL RELATIONS:

JIM GRATHWOL, ET AL. (268823.1)

Omnibus Education Legislative Bill: Summary of K-12 conference committee report and the new academic content standards to replace Profile of Learning.

INTERGOVERNMENTAL RELATIONS (See Rep):

MINNEAPOLIS POLICE RELIEF ASSOCIATION (268823.2)

Medical Savings Account: Resolution supporting legislation enabling pilot program for Minnesota former & current public employees.

PUBLIC SAFETY AND REGULATORY SERVICES (See Rep):

LICENSES AND CONSUMER SERVICES (268824)

Perry's Pizza (825 Washington Av SE): Grant On-Sale Liquor Class E with Sunday Sales License, subject to conditions.

Broadway Food & Gas (1905 W Broadway): Grant Provisional Grocery, Food Manufacturer, Gas Station and Tobacco Licenses, subject to conditions.

Licenses: Applications.

POLICE DEPARTMENT (268825)

Nuisance Night Court Pilot Project: Identify Downtown as the geographic area to conduct Pilot Project.

REGULATORY SERVICES (268826)

Clean Air Minneapolis: Approve Resolution responding to Air Pollution Alerts by the City of Minneapolis and its staff.

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

POLICE DEPARTMENT (268827)

Police Bomb Disposal Services: Amend Grant Agreement with Minnesota Department of Public Safety to extend grant period to June 30, 2004 to permit time to expend all the grant funds; Accept new grant award of \$38,000 for Fiscal Year 2004-2005; Execute new Joint Powers Agreement with Minnesota Department of Public Safety Emergency Response Commission to provide bomb disposal services between July 1, 2004 and June 30, 2005.

Downtown Security Cameras: Accept donated equipment from Target Corporation to tie new and existing Downtown security camera systems together to detect and prevent crime.

Police Executive Research Forum (PERF): Amend contract with PERF to extend grant period to July 31, 2003 to allow more time to expend grant funds for continued community outreach.

TRANSPORTATION AND PUBLIC WORKS (See Rep):

PUBLIC WORKS AND ENGINEERING (268828)

Pub r/w: Passage of Ordn allowing PW Dept to utilize admin enforcement & hearing process to regulate & control activities within public r/w.

800 MHz Proj: Auth incr chg order extending contract to 12/31/06 with Motorola, Inc for discounted electronic devices.

2003 Mpls Stormwater Management Prog and Annual Rep: Passage of Resl adopting the report.

Block Event Ordn: Passage of Ordn amending Title 17, Chapter 455.

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

PUBLIC WORKS AND ENGINEERING (268829)

Heritage Park Proj: Auth change orders with Lametti & Sons to increase contract & extend completion date to 7/31/03 for final payment.

East River Road: Auth agreement with Anoka County Highway Dept to provide turning lanes for Water Works Facility.

Bids: OP #6047, only bid of Koch Materials Company for asphalt cement; OP #6068, low bid of Metropolitan Mechanical Contractors, Inc for HVAC system upgrades for Fire Station No. 19; and OP #6088, low bid by Kumar Mechanical, Inc for ventilation system addition.

Deloitte & Touche LLC: Auth contract for business-planning services to PW Dept.

WAYS AND MEANS BUDGET:

CONVENTION & VISITORS ASSOCIATION OF GREATER MPLS (268830)

Quarterly Performance Report, 1st Quarter of 2003.

FINANCE DEPARTMENT (268831)

Budget Schedule for 2004.

HUMAN RESOURCES (268832)

Hiring, Promotion and Reclassification Freeze: Monthly report (April) outlining decisions of the appeal board.

WAYS AND MEANS BUDGET (See Rep):

ARTS COMMISSION (268833)

Mosaic - Celebrating the Arts and Cultures of Minneapolis Event: Accept donations from Marshall Field's, Time Warner Cable and Midwest Coca-Cola.

ATTORNEY AND HUMAN RESOURCES (268834)

Dangerous Weapons in the Workplace: New City policy.

HUMAN RESOURCES (268835)

Labor Settlement: Terms for contract with AFSCME Local 9, General Unit.

Employee Group Health Insurance: Issue request for proposals.

INFORMATION AND TECHNOLOGY SERVICES (ITS) (268836)

Civil Engineering Software Services Contract: Extend contract with Bentley Systems, Inc.

PUBLIC WORKS AND ENGINEERING (268837)

Nicollet Mall: Approve 2004 operating budget.

ZONING AND PLANNING (See Rep):

PLANNING COMMISSION/DEPARTMENT (268838)

Waiver Applications:

Lander Sherman Urban Development and Aaron Parker & Associates/Country Home Builders/Ross Fefercorn: Application for waiver from Lowry Hill East Neighborhood moratorium for Midtown Greenway project.

Rezoning Applications:

Judy Van Cleve, for 7-Sigma, Inc (2816-27th Ave S);

Marcia Cartwright, for HOPE Community (2000 & 2012 Portland Ave);

Gesco Construction (2800 & 2806 Bloomington Ave S).

Zoning Code Text Amendments:

Conditional Use Permit & Site Plan Review Revocations (Chapter 525);

On-Premise Roof Signs (Chapter 551).

Vacation Application:

Joe Dowling, for The Guthrie Theater Foundation (air rights above 2nd St S between Chicago & 9th Aves S).

FILED:

CITY CLERK/SPECIAL PERMITS (268839)

France Ave from 49 1/2 St to 51st St (Colleen Jones dba 50th & France Assn) 37th Annual Edina Art Fair, tents, sidewalks open for pedestrians;

17th St N, 88 (Terri H Ashmore) Basilica Block Party, soft drink/liquor, inflatables.

VAN CLEVE, JUDY (268840)

7-Sigma, Inc (2816 27th Av S): Facsimile re rezoning property with copy of letter from Darel F. Swenson, Attorney representing Daniel Wenker, resident at 2812 27th Av S. (See Z&P report)

The following reports were signed by Mayor Rybak on 6/11/03, 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 recommends approval of the Low Income Housing Tax Credit Manual and the Qualified Allocation Plan, as set forth in the staff report dated May 20, 2003.

Your Committee further recommends that appropriate staff of the Minneapolis Community Development Agency (MCDA) be authorized to issue a request for proposals for low income housing tax credits.

Adopted 6/6/03.

Absent – Johnson.

Comm Dev - Your Committee recommends passage of the accompanying resolution giving final approval to issue up to \$11,500,000 in tax-exempt, multi-family housing revenue bonds for the Heritage Park, Phase 2 Project.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-240, giving final approval to issue up to \$11,500,000 in tax-exempt multi-family housing revenue bonds for the Heritage Park, Phase 2 Project, was passed 6/6/03 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 2003R-240 By Goodman and Johnson

Authorizing the financing of a housing program under Minnesota Statutes, Chapter 462C, authorizing the issuance of Multifamily Housing Revenue Bonds in an aggregate principal amount not to exceed \$11,500,000 to finance the program, and approving and authorizing the execution of various documents in connection therewith.

Whereas, pursuant to the Minnesota Municipal Housing Act, Minnesota Statutes Chapter 462C (the "Act"), a city is authorized to carry out programs for the financing of multifamily housing for persons of low and moderate income, and to authorize its housing and redevelopment authority to act on its behalf; and

Whereas, on October 28, 2002, the Community Development Committee of this City Council held a public hearing with respect to a program (the "Program") for the issuance of bonds to make a loan to finance the acquisition and construction of 113 units of multifamily rental housing (the "Project") to be located at the intersection of Aldrich Avenue North and Seventh Avenue North in the City, by Sumner Field Phase II, L.P., a Missouri limited partnership or its affiliates and assigns (the "Company"); and

Whereas, the Program is to be financed from the proceeds of two series of Multifamily Housing Revenue Bonds, Series 2003 (collectively, the "Bonds"), in an aggregate principal amount not to exceed \$11,500,000, to be issued by the City, and the revenues from the Project shall be pledged for the security of and payment for the Bonds (except as may be otherwise set forth in the Indentures hereinafter referred to); and

Whereas, each series of Bond proceeds will be used by the City to provide for funding of a loan (collectively, the "Loans") to the Company to finance the acquisition and construction of the Project; and

Whereas, each series of Bonds will be issued under a separate Indenture of Trust (collectively, the "Indentures"), and said Bonds and the interest on said Bonds shall be payable solely from the revenues pledged therefor and the Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation nor give rise to a pecuniary liability of the City or a charge against its general credit or assets and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City's interest in said Project; and

Whereas, forms of the following documents (including the exhibits referred to therein) have been submitted to the City:

a) The Indentures to be made and entered into among the City and the trustee named therein (the "Trustee"), providing for the issuance of the respective series of Bonds, prescribing the forms thereof, pledging the trust estate described therein for the security of the respective series of Bonds, and setting forth proposed recitals, covenants and agreements by the parties with respect thereto;

b) The Financing Agreement and Loan Agreement to be executed by the City and the Company (collectively, the "Financing Agreements"), pursuant to which the proceeds of the respective series of Bonds are applied to make a loan to the Company;

c) One or more Bond Purchase Agreements, to be dated as of the date of execution thereof (the "Bond Purchase Agreements"), by and among the City, the Company and U.S. Bancorp Piper Jaffray Inc. (the "Underwriter"), providing for the purchase of the Bonds by the Underwriter;

d) The Regulatory Agreement to be executed by the City, the Company and the Trustee, as required to maintain the tax-exempt status of the Bonds; and

e) One or more preliminary disclosure documents relating to the offer of the respective series of Bonds (the "Preliminary Official Statements").

The agreements described and referred to in paragraphs a through d above shall hereinafter sometimes be referred to collectively as the "Agreements."

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

That it is hereby found, determined and declared that:

a) The preservation of the quality of life in the City is dependent upon the construction, maintenance, provision, and preservation of an adequate housing stock which is affordable to persons and families of low or moderate income, that accomplishing this is a public purpose, and that many would-be providers of housing units in the City are either unable to afford mortgage credit at present market rates of interest or are unable to obtain mortgage credit because the mortgage credit market is severely restricted;

b) The development and implementation of the Program, and the issuance and sale of the Bonds by the City, and the execution and delivery of the Agreements and the performance of all covenants and agreements of the City contained therein and of all other acts and things required under the Constitution and Laws of the State of Minnesota to make the Agreements and the Bonds valid and binding obligations of the City in accordance with their terms, are authorized by the Act;

c) The implementation of the Program for the purposes and in the manner contemplated by the Agreements conforms or will conform to all pertinent statutes, regulations and ordinances of the State of Minnesota and the City;

d) It is desirable that the Bonds in the aggregate principal amount not to exceed \$11,500,000 be issued by the City, on the terms set forth in the Indentures, the Financing Agreements and the Bond Purchase Agreements;

e) The payments required or provided for by the Financing Agreements are intended to produce income and revenues sufficient to provide for the payment when due of principal of and interest on all Bonds issued under the Indentures, and payments are required to be made for such expenses of, among other things, administration of the Program, as will be necessary to protect the interests of the City and the Trustee; and

f) Pursuant to the provisions of the Act, and as provided in the Agreements, the Bonds shall be retired solely from the revenues of the Project and other revenues specifically pledged therefor.

Be It Further Resolved that the Program and the Agreements in substantially the forms submitted to the City at this meeting are hereby approved. Such of the documents as require the execution of the City are hereby authorized and directed to be executed or accepted, as the case may be, and delivered

in the name and on behalf of the City by its Mayor, City Clerk (or Assistant City Clerk) and Finance Officer (or Assistant Finance Officer) upon execution thereof by the parties thereto as appropriate. The Bonds and the Agreements shall be executed and delivered as provided therein. Copies of all the documents necessary for the consummation of the transactions described herein and in the Agreements shall be delivered, filed and recorded as provided herein and in the Agreements.

Be It Further Resolved that the form and terms of the Agreements may be varied prior to execution and delivery by the parties thereto, provided that any such variance shall not be, in the opinion of the City's legal counsel, materially adverse to the interests of the City. The execution and delivery of the Agreements as provided above shall be conclusive evidence of the determination that any such variance was not materially adverse to the interests of the City.

Be It Further Resolved that in anticipation of the collection of revenues of the Project, there shall be issued forthwith the Bonds, in an aggregate principal amount not to exceed \$11,500,000, which issuance is approved, substantially in the form and upon the terms set forth in the Indentures, the terms of which are for this purpose incorporated in this resolution and made a part hereof as if fully set forth herein. The Bonds shall be dated as of the date and shall mature on the dates (subject to redemption on such earlier dates as provided in the Indentures), bear interest and be payable at the rates, all determined as set forth in the Indentures, provided that such rates shall result in an average coupon rate on an aggregate basis not greater than 7.0%, and provided further that the Bonds shall mature within 43 years of the date of issuance thereof. The City may at its option issue additional bonds at a later date to be used to pay or reimburse costs of the Project not paid from the proceeds of the Bonds, in a principal amount not to exceed the amount set forth in the Program.

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

Be It Further Resolved that the sale of said Bonds to the Underwriter is hereby approved, and the Bonds are hereby directed to be sold to the Underwriter, upon the terms and conditions set forth in the Bond Purchase Agreements. The Mayor, City Clerk (or Assistant City Clerk) and Finance Officer (or Assistant Finance Officer) of the City are hereby authorized and directed to prepare and execute by manual or facsimile signature the Bonds as described in the Indentures and to deliver them to the Trustee (which is herein designated as the authenticating agent under Minnesota Statutes, Section 475.55) for authentication and delivery to or as instructed by the Underwriter, together with a certified copy of this resolution, and the other documents required by the Indentures.

Be It Further Resolved that the Mayor, City Clerk (or Assistant City Clerk), Finance Officer (or Assistant Finance Officer) and other officers of the City are authorized and directed to prepare and furnish when the Bonds are issued, certified copies of all proceedings and records of the City relating to the Bonds and such other affidavits and certificates (including but not limited to those required by bond counsel) as may be required to show the facts relating to the legality, tax exemption and marketability of the Bonds as such facts appear from the books and records in said 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 City as to the truth of all statements made by the City and contained therein. Said officers are further authorized to execute such additional documents as shall be determined by the Mayor to be necessary and desirable to provide for the issuance of the Bonds.

Be It Further Resolved that the Mayor, City Clerk (or Assistant City Clerk), Finance Officer (or Assistant Finance Officer) and other officers of the City consent to the distribution of the Preliminary Official Statements relating to the respective series of Bonds, substantially in the forms on file with the City. Said officers further consent to the use by the Underwriter in connection with the sale of the Bonds of final Official Statements, substantially in the forms of the Preliminary Official Statements described above. The Preliminary Official Statements and the final Official Statements are the sole materials consented to by said officers for use in connection with the offer and sale of the Bonds. Said officers have not participated in the preparation thereof, have not made any independent investigation of the information contained therein and shall have no liability in connection with the contents of or use of such offering materials.

Be It Further Resolved that all covenants, stipulations, obligations and agreements of the City contained in this resolution and the aforementioned documents shall be deemed to be the covenants,

stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the City. Except as otherwise provided in this resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the City by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the City or by such members of the City, or such officers, board, body or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

Be It Further Resolved that 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 City, or any officer, agent or employee of the City in that person's individual capacity, and neither the City Council 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.

Be It Further Resolved that 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 City or the breach thereof, shall constitute or give rise to any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Project or the proceeds of the Bonds which are to be applied to the payment of the Bonds, as provided therein and in the Indenture. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenue and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal of the Bonds or the interest thereon, or to enforce payment thereof against any property of the City. The Bonds shall recite in substance that the Bonds, including the interest thereon, are payable solely from the revenues and proceeds pledged to the payment thereof. The Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

Be It Further Resolved that 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 City or any holder 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 City and any holder from time to time of the Bonds issued under the provisions of this resolution.

Be It Further Resolved that 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.

Be It Further Resolved that 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 of Minnesota 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.

Be It Further Resolved that in the event any of the officers of the City authorized to execute documents on behalf of the City under this resolution shall have resigned or shall for any reason be unable to do so, any member of the City, or officer of the City, is hereby directed and authorized to do so on behalf of the City, with the same effect as if executed by the officer authorized to do so in this resolution.

Be It Further Resolved that each 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.

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

Adopted 6/6/03.

Absent – Johnson.

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

Comm Dev & W&M/Budget - Your Committee, having under consideration the Heritage Park (formerly Hollman) Project, now recommends passage of the accompanying Resolutions:

a) Adopting Modification No 1 to the Heritage Park (formerly Hollman) Housing Transition Tax Increment Finance (TIF) Plan;

b) Authorizing the sale and issuance of the General Obligation Tax Increment Bonds, in an amount not to exceed \$6,900,000 for said project; and

c) Amending the 2003 Minneapolis Community Development Agency (MCDA) Appropriation Resolution to establish an appropriation in Fund AHP0 (Heritage Park Tax Exempt), in the amount of \$6,900,000; and to establish a 2003 revenue budget (3910-01, bond proceeds), in the amount of \$6,900,000.

Your Committee further recommends that the proper City officers be authorized to execute a tax increment pledge agreement with the MCDA to support the bonds.

Your Committee further recommends approval to waive the City's 3.0% administrative fee on capital costs paid with bond proceeds.

Your Committee further recommends that this action be transmitted to the Board of Commissioners of the MCDA to adopt the plan.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-241, adopting Modification No 1 to the Heritage Park (formerly Hollman) Housing Transition Tax Increment Finance (TIF) Plan, was passed 6/6/03 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 2003R-241
By Goodman and Johnson

Adopting Modification No 1 to the Heritage Park (formerly Hollman) Housing Transition Tax Increment Finance (TIF) Plan.

Resolved by The City Council of The City of Minneapolis:

Section 1. Recitals.

1.01. That the Minneapolis Community Development Agency (the "Agency") is the Housing and Redevelopment Authority of and for the City of Minneapolis (the "City") with the authority to propose and implement redevelopment projects and tax increment financing districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and 469.174 through 469.179, as amended; Laws of Minnesota 1971, Chapter 677, as amended; Laws of Minnesota 1980, Chapter 595, as amended; and Minneapolis Code of Ordinances, Chapter 422, as amended (collectively, the "Laws").

1.02. That by Resolution No. 01R-251 duly adopted on June 22, 2001 the City approved the creation of the Heritage Park (formerly Hollman) Housing Transition Tax Increment Finance Plan.

1.03. The Agency has caused to be prepared, and this Council has investigated the facts with respect thereto, a proposed Modification No 1 to the Heritage Park (formerly Hollman) Housing Transition TIF Plan (the "Modification No 1"), documenting a name change to reflect the new name of the housing development, documenting slight adjustments to the TIF budget and bonded indebtedness amount, and the correction of an administrative error in the preparation fo the original TIF Plan.

1.04. The Agency and the City have performed all actions required by law to be performed prior to the adoption of the Modification No1, including, but not limited to, a review of the proposed Modification No 1 by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Modification No 1 to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing upon published and mailed notice as required by law.

Section 2. Findings for the Adoption of the Modification.

2.01. The Council finds, determines and reaffirms the findings made in Resolution 01R-251 on June 22, 2001.

2.02. The Council further finds, determines, and declares that the Modification No 1 conforms 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 Modification No 1 were issued and are incorporated herein by reference, and are on file in the office of the City Clerk.

2.03. The Council further finds, determines and declares that the objectives and actions authorized by the Modification No 1 are all pursuant to and in accordance with the Laws.

2.04. The Council further finds, determines and declares that it is necessary and in the best interest of the City at this time to approve the Modification No 1.

Section 3. Approval of the Modification.

3.01. Based upon the findings set forth in Section 2 hereof, the Modification No 1 presented to the Council on this date is hereby approved and shall be placed onfile in the office of the City Clerk.

Section 4. Implementation of the Modification.

4.01. The officers and staff of the City and the Agency and the City's and the Agency's consultants and counsel are authorized and directed to proceed with the implementation of the Modification No 1, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further plans, resolutions, documents and contracts necessary for this purpose.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-242, authorizing the sale and issuance of the General Obligation Tax Increment Bonds, in an amount not to exceed \$6,900,000, for the Heritage Park (formerly Hollman) Project, was passed 6/6/03 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 2003R-242
By Goodman and Johnson**

Authorizing the sale and issuance of the General Obligation Tax Increment Bonds, Series 2003B (Heritage Park), of the City of Minneapolis and providing the form, terms, pledge of tax increment revenues and 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. The Project. The Minnesota Legislature enacted special legislation designated as Laws of Minnesota 1997, Chapter 231, Article 10, Sections 17-20 (the "Special Law") relating to the establishment of a housing transition tax increment financing district in an area of the City of Minneapolis (the "City") that is the subject of a federal consent decree in an action entitled Hollman v. Cisneros. By Resolution No. 99R-261, the City Council of the City approved the Near Northside Community Redevelopment Plan

with respect to the land described in the Special Law (the "Heritage Park Project"). The Heritage Project is generally bounded by I-94 on the east, Glenwood Avenue North on the west, and 7th Street North on the north. The Heritage Project will result in approximately 900 new housing units replacing the former Sumner, Olson, Glenwood and Lyndale family public housing developments that have been demolished over the last several years.

The Heritage Park Project is being implemented in four phases, with the first two phases located on the north side of Olson Memorial Highway and the third and fourth phases located on the south side of Olson Memorial Highway. Phase 1 rental development is currently underway and will result in the construction of 232 rental units in forty-one different buildings. Completion of the infrastructure and site preparation work is anticipated by the end of 2003 for Phase 1 and by the end of 2004 for Phase 2. Out of the 900 new housing units to be constructed in the Heritage Park Project between 2002 and 2008, 440 units will be mixed income rental units, 360 will be for-sale housing, and 100 units will be reserved for senior public housing. Out of the 440 rental units, 200 of these units will be dedicated to family public housing (families at or below 30% of area median income), 90 units will be constructed using tax-credit financing (for families at or below fifty percent of area median income), and the remaining 150 units will be offered at market-rate rent levels. Out of the approximately 360 ownership units, fifteen percent (approximately 55 units) will be affordable to families with incomes less than sixty percent of area median income and another fifteen percent will be affordable to persons between sixty percent and eighty percent of area median income.

1.02. The Finance Plan. Pursuant to Resolution No. 2001R-251 adopted by the City Council of the City on June 22, 2001, and approved by the Mayor of the City on June 28, 2001, the Hollman Housing Transition Tax Increment Financing District (the "Hollman District") was established and the Hollman Housing Transition Tax Increment Financing Plan (the "Plan") was approved pursuant to the terms of the Special Law and applicable provisions of Minnesota Statutes, Section 469.174-469.179, as amended (the "Tax Increment Act"). The Hollman District was later renamed the Heritage Park Housing Transition Tax Increment Finance District (the "District"). It has been anticipated that tax increment financing would provide a portion of the public assistance needed for the overall redevelopment of the Heritage Park Project and the District. Specifically, tax increment financing assistance would be provided through the City's issuance of general obligation tax increment bonds in one or more series.

The City is proposing to issue bonds for the District, to be designated the General Obligation Tax Increment Bonds, Series 2003B (Heritage Park) (the "Series 2003B Bonds" or the "Bonds") in the aggregate principal amount of \$6,900,000 to be applied to the following purposes: (i) to pay the costs of public infrastructure and other redevelopment costs of the District; (ii) to fund interest on the Bonds; and (iii) to pay 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 to pay the principal of, premium, if any, and interest on the Bonds when due. The Bonds are expected to be paid from net tax increment revenues derived from the District (the "Tax Increment Revenues").

1.03. Authority. The City is authorized to issue the Bonds to finance the public redevelopment costs of the District and to apply the Tax Increment Revenues and other revenues to the payment thereof under Minnesota Statutes, Section 469.178, as amended, and Minnesota Statutes, Chapter 475, as amended. Pursuant to the terms of Minnesota Statutes, Section 475.58, subdivision 1, as amended, 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 and redevelopment of the District is estimated to be received from the Tax Increment Revenues.

1.04. Definitions. Unless the context otherwise requires, the terms defined in Section 1.01-1.03 of this Resolution 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:

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

"Code" means the Internal Revenue Code of 1986, as amended, and such term also includes 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.

"Pledge Agreement" means the Pledge Agreement to be entered into between the Agency and the City with respect to the issuance of the Bonds.

"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 1.02 of this Resolution. The Bonds shall be designated "General Obligation Tax Increment Bonds, Series 2003B (Heritage Park)." The Bonds shall be issued in one or more series as the Finance Officer may determine. The Bonds shall be dated the date of issue or shall be dated 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 \$6,900,000, or such lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the costs for which the Bonds are to be issued. The Bonds shall bear interest at the rates per annum approved by the Finance Officer and shall be payable semiannually on March 1 and September 1 of each year, or on such other dates determined by the Finance Officer, commencing on March 1, 2004, 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 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 general obligation 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 the dates on and after which the Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. The redemption prices of the Bonds shall be such redemption prices, with or without premium, as the Finance Officer shall determine necessary to obtain the lowest interest rates for each series of Bonds consistent with the amended finance plan pursuant to which each series of Bonds is to be issued.

Thirty days prior to any redemption date, notice of any such redemption shall be given by mail to the registered owners in accordance with the terms of the Act and the terms of the Bonds. 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 series and 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.

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 paying 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, the text of which may be printed on the face or on the back or partially on the face or back, 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 Bonds)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

No. R- _____ \$ _____

CITY OF MINNEAPOLIS
GENERAL OBLIGATION TAX INCREMENT BOND
SERIES 2003B
(HERITAGE PARK)

<u>Interest Rate</u>	<u>Maturity Date</u>	Date of Original _____ Issue _____	<u>CUSIP</u>
	March 1, 20__	_____, 2003	

Registered Owner: _____

Principal Amount: _____ DOLLARS

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 Amount at the Interest Rate specified above from _____, 2003, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on March 1 and September 1 of each year, commencing March 1, 2004, until said Principal Amount 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 (60) 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 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, 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 469.179, as amended, and Minnesota Statutes, Chapter 475, as amended (the "Act"), for the purpose of providing part of the funds to finance the public redevelopment costs for the development and redevelopment of a portion of the Heritage Park Housing Transition Tax Increment Finance District (the "District") located in the City.

The Bonds 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 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. 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 and the security for the Bonds and interest thereon.

All Bonds maturing on or after March 1, 2013, are subject to redemption at the option of the City, in whole or in part in such order as the City may determine, on March 1, 2012, and any date thereafter at a redemption price equal to par plus accrued interest to the redemption date. Thirty days' notice of prior redemption will be given by mail to registered owners in the manner provided by applicable provisions of the Act.

The Bonds maturing on March 1, 20___, are subject to mandatory sinking fund redemption on March 1 of the following years in the following principal amounts:

[Redemption Table, if applicable]

The specific Bonds subject to mandatory sinking fund redemption are to be randomly selected by the Registrar. All prepayments of the Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price of par plus accrued interest to the redemption date. At the election of the City, Bonds redeemed pursuant to the exercise of any optional redemption may be applied as a credit against any mandatory sinking fund redemption.

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 same principal amount, maturity and interest rate will be issued to the designated transferee or transferees.

The Bonds 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 are exchangeable for a like aggregate principal amount of Bonds 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 facsimile signature of its Mayor, countersigned by the facsimile signature of the Finance Officer, and attested with the facsimile signature of the City Clerk, 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)

Attest: _____
City Clerk

By _____
Mayor

Countersigned:
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

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:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STEMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

- | | |
|--|--|
| TEN COM -- as tenants in common | TEN ENT -- as tenants by entireties |
| JT TEN -- as joint tenants with right of survivorship and not as tenants in Common | UNIF GIFT MIN ACT--
_____Custodian_____
(Cust) (Minor)
under Uniform Gifts or Transfers to
Minors Act _____(State) |

Additional abbreviations may also be used though not in the above list.

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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 a bond register in which the Bond Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. 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. At the option of the registered owner, upon surrender of a Bond at the office of the Bond Registrar such Bond may 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 mailing 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 a securities depository 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 the 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 the Bonds

shall be sold only at a price of not less than ninety-eight percent of the principal amount of such 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, any premium, and any unused issuance costs shall be deposited in the Debt Service Account or applied to such authorized purposes as determined by the Finance Officer.

3.02. Bonds. The Bonds shall be executed by the respective facsimile signatures of the Mayor, Finance Officer and City Clerk and shall be sealed with a facsimile of the corporate seal of the City 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, shall accompany each Bond. When said Bonds shall have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the same 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 to be prepared, and the use thereof by the purchasers is approved.

3.04. Certificates. 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 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 Bonds and, with respect to the Bonds, a certificate meeting the requirements of the arbitrage regulations under Section 148 of the Code. The Finance Officer shall also deliver to the purchasers of the Bonds a signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and, with respect to the Bonds, 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.

3.05. Pledge Agreement. The Pledge Agreement is hereby approved and shall be executed in substantially the form on file with the City, with such additions, deletions, and other changes as are approved by the Finance Officer. The Pledge Agreement is to be executed and delivered in order to satisfy the requirements of Minnesota Statutes, Section 469.178, subdivision 2, and Sections 475.58, subdivision 1, and 475.61, subdivision 1, of the Act. The Pledge Agreement creates rights in the City and the Agency but is not intended to create duties or obligations of the City or the Agency to any other persons (including the beneficial or registered owners of the Bonds) with respect to the Tax Increment Revenues or other revenues described or referenced in the Pledge Agreement, and is not intended to create rights in or claims by any other persons (including the beneficial or registered owners of the Bonds) with respect to the Tax Increment Revenues or other revenues described or referenced in the Pledge Agreement.

Section 4. Application of Proceeds; Redemption of Refunded 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 determined by the Finance Officer to pay interest on the Bonds shall be set aside and applied to such purpose; (iii) an amount sufficient to pay the public redevelopment costs proposed to be paid from the proceeds of the Bonds for the development and redevelopment of the District shall be set aside and applied to such purpose; and (iv) 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 Debt Service Account with respect to the Bonds 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 1.02 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 (if such 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 and the Agency may pledge or apply the Tax Increment Revenues to existing or future obligations of the City and the Agency 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 (5.00%) 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. 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 the registration of the Bonds.

6.02. 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 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.

6.03. 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 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. 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. The Finance Officer shall furnish an arbitrage certificate to the original purchasers of the Bonds 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.

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

Adopted 6/6/03.

Absent – Johnson.

**RESOLUTION 2003R-243
By Goodman and Johnson**

Amending The 2003 Minneapolis Community Development Agency Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended to establish an appropriation in Fund AHP0 (Heritage Park Tax Exempt), in the amount of \$6,900,000, and to establish a 2003 revenue budget (3910-01, bond proceeds), in the amount of \$6,900,000.

Adopted 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget - Your Committee, having under consideration the West Lowry Avenue Redevelopment Plan, and having held a public hearing on May 20, 2003 thereon, now recommends passage of the accompanying Resolution adopting the creation of said plan.

Your Committee further recommends that this action be transmitted to the Board of Commissioners of the Minneapolis Community Development Agency (MCDA) to adopt the plan.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-244, adopting the creation of the West Lowry Avenue Redevelopment Project, was passed 6/6/03 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 2003R-244
By Goodman and Johnson**

Adopting the West Lowry Avenue Redevelopment Plan.

Resolved by The City Council of The City of Minneapolis:

Section 1. Recitals

1.1 Pursuant to Laws of Minnesota 1980, Chapter 595, as amended, and the Minneapolis Code of Ordinances, Chapter 422, as amended (the "Agency Laws") the Housing and Redevelopment Authority in and for the City of Minneapolis (the "City") has been reorganized, granted additional powers, and designated the Minneapolis Community Development Agency (the "Agency") with 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 Laws of Minnesota 1971, Chapter 677 (collectively, the "Project Laws").

1.2 That by Resolution No 00R-350 on August 11, 2000, the City supported the Hennepin County Community Works planning and redevelopment efforts for Lowry Avenue, directed the Agency to participate as appropriate in the Lowry Avenue planning process, and to return with potential opportunities for City involvement in implementation activities; and in July 2002, the City approved the Lowry Avenue Corridor Plan;

1.3 It has been proposed and the Agency has prepared, and this Council has investigated the facts with respect to a proposed West Lowry Avenue Redevelopment Plan (the "Plan"). The Plan creates a new redevelopment project area (the "Project Area") to facilitate redevelopment on several blocks along Lowry Avenue, all pursuant to and in accordance with the Project Laws.

1.4 The Agency and the City have performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, a review of the proposed Plan by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Plan 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.

1.5 The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Plan.

Section 2. Findings for the Adoption of the Plan

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

2.2 The Council hereby finds, determines and declares that the Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Project Area by private enterprise as the proposed redevelopment removes blight and blighting influences, provides new roadway design and roadway enhancements and improvements, increases the city's tax base, and will serve as an impetus for the provision of needed community redevelopment, including affordable and mixed income housing, commercial and retail opportunities.

2.3 The Council hereby finds, determines and declares that the Lowry Avenue Redevelopment Project (the "Redevelopment Project") qualifies as a Redevelopment Project as defined in the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 14 and 16). The Project Area qualifies as a "blighted area" under the Minnesota Housing and Redevelopment Authorities Act (Minnesota Statutes, Section 469.002, Subdivision 11, and it was found that with reasonable certainty, deficiencies exist in structures located within the boundaries of the proposed Redevelopment Project.

2.4 The Council hereby finds, determines and declares that according to the *Lowry Avenue Corridor Plan's* "Analysis of Existing Conditions": "the fundamental characteristics of Lowry Avenue are that it lacks the aesthetic and functional elements—and the physical dimensions needed to create those elements—that would make it an attractive, livable part of the City fabric. The combination of traffic congestion, inadequate sidewalks, inadequate bicycle facilities, non-existent green space, and blighted buildings creates an environment that cannot attract and keep strong businesses and satisfied residents in much of the corridor." Further, "the condition of buildings on Lowry Avenue varies based on a visual appraisal from the street, ...some of the areas that are in the worst condition...due to blighted or vacant buildings and undesirable businesses – are from Penn to Logan, and from Fremont east to Lyndale and I-94."

2.5 The Council further finds, determines and declares that the land in the Project Area would not be made available for redevelopment without the financial aide to be sought.

2.6 The Council further finds, determines and declares that the Plan conforms 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 Plan were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.7 The Council further finds additional public benefits will include blight remediation, tax base enhancement, economic integration, and increased neighborhood livability.

2.8 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 Plan.

Section 3. Approval of the Plan; Creation of Project Area

3.1 Based upon the findings set forth in Section 2 hereof, the West Lowry Avenue Redevelopment Plan presented to the Council on this date is hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Plan

4.1 The officers and staff of the City and the Agency, and the City's and the Agency's consultants and counsel, are authorized and directed to proceed with the implementation of the Plan, 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 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget - Your Committee, having under consideration the West Side Milling Project, now recommends passage of the accompanying Resolutions:

- a) Adopting Modification No 2 to the West Side Milling District Tax Increment Finance (TIF) Plan;
- b) Authorizing the sale and issuance of the General Obligation Tax Increment Bonds, in an amount not to exceed \$1,725,000 for said project; and
- c) Amending the 2003 Minneapolis Community Development Agency (MCDA) Appropriation Resolution to increase the appropriation in Fund AWM0 (West Side Milling Tax Exempt) by \$1,725,000, and to increase the 2003 revenue budget (3910-01, bond proceeds) by \$1,725,000.

Your Committee further recommends that the proper City officers be authorized to execute a tax increment pledge agreement with the MCDA to support the bonds.

Your Committee further recommends that this action be transmitted to the Board of Commissioners of the MCDA to adopt the plan.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-245, adopting Modification No 2 to the West Side Milling District Tax Increment Finance (TIF) Plan, was passed 6/6/03 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 2003R-245
By Goodman and Johnson**

Adopting Modification No 2 to the West Side Milling District Tax Increment Finance (TIF) Plan.

Resolved by The City Council of The City of Minneapolis:

Section 1. Recitals.

1.01. That the Minneapolis Community Development Agency (the "Agency") is the Housing and Redevelopment Authority of and for the City of Minneapolis (the "City") with the authority to propose and implement redevelopment projects and tax increment financing districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.047, and 469.174 through 469.179, as amended; Laws of Minnesota 1971, Chapter 677, as amended; Laws of Minnesota 1980, Chapter 595, as amended; and Minneapolis Code of Ordinances, Chapter 422, as amended (collectively, the "Laws").

1.02. 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.

1.03. That by Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City approved the creation by the Agency of the Common Development and Redevelopment Project (the "Common Project") and the adoption of the Common Development and Redevelopment Plan and the Common TIF Plan (the "Common Plans") relating thereto, all pursuant to and in accordance with the Laws. The Industry Square Redevelopment Project is included within the Common Development and Redevelopment Project.

1.04. That by Resolution No 98R-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 Laws.

1.05. That by Resolution No 01R-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 Laws.

1.06. The Agency has caused to be prepared, and this Council has investigated the facts with respect thereto, a proposed Modification No 2 to the West Side Milling District TIF Plan (the "Modification No 2"), permitting the deletion of property from West Side Milling District TIF District (# 86), the adjustment of the budget (including affordable housing expenditures), and adjustment of the bonded indebtedness.

1.07. The Agency and the City have performed all actions required by law to be performed prior to the adoption of the Modification No 2, including, but not limited to, a review of the proposed Modification No 2 by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Modification No 2 to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing upon published and mailed notice as required by law.

Section 2. Findings for the Adoption of the Modification.

2.01. The Council finds, determines and reaffirms the findings made in Resolution 98R-026 on February 6, 1998, and Resolution 01R-025 on February 2, 2001.

2.02. The Council further finds, determines, and declares that the Modification No 2 conforms 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 Modification No 2 were issued and are incorporated herein by reference, and are on file in the office of the City Clerk.

2.03. The Council further finds, determines and declares that the area to be deleted from the West Side Milling District TIF District is part of a larger area that is currently in the process of being replatted, and further, upon completion of this process and assignment of a distinct property identification (PID) for the area to be deleted from the West Side Milling District TIF District, Hennepin County will delete such parcel and PID from the TIF District.

2.04. The Council further finds, determines and declares that the objectives and actions authorized by the Modification No 2 are all pursuant to and in accordance with the Laws.

2.05. The Council further finds, determines and declares that it is necessary and in the best interest of the City at this time to approve the Modification No 2.

Section 3. Approval of the Modification.

3.01. Based upon the findings set forth in Section 2 hereof, the Modification No 2 presented to the Council on this date is hereby approved and shall be placed onfile in the office of the City Clerk.

Section 4. Implementation of the Modification.

4.01. The officers and staff of the City and the Agency and the City's and the Agency's consultants and counsel are authorized and directed to proceed with the implementation of the Modification No 2, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further plans, resolutions, documents and contracts necessary for this purpose.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-246, authorizing the sale and issuance of the General Obligation Tax Increment Bonds, in an amount not to exceed \$1,725,000, for the West Side Milling Project, was passed 6/6/03 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 2003R-246
By Goodman and Johnson

Authorizing the sale and issuance of the General Obligation Tax Increment Bonds, Series 2003A (West Side Milling), of the City of Minneapolis and providing the form, terms, pledge of tax increment revenues and 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. The Project and the District. The Minneapolis Community Development Agency (the "Agency") is authorized to establish redevelopment projects pursuant to Minnesota Statutes, Sections 469.001-469.047, as amended (the "Redevelopment Act"). The Agency established the Industry Square Redevelopment Project (the "Project") in accordance with the requirements of the Redevelopment Act. The Agency and the City of Minneapolis, Minnesota (the "City"), are authorized to establish tax increment financing districts pursuant to Minnesota Statutes, Section 469.174-469.179, as amended (the "Tax Increment Act"). Pursuant to Resolution No. 98R-026 duly adopted by the City Council of the City on February 6, 1998, and pursuant to Resolution No. 98-1760M, duly adopted by the Board of Commissioners of the Agency, on February 6, 1998, the Agency established the West Side Milling District TIF District No. 86 and Hazardous Substance Subdistrict (the "District"). By Resolution No. 01R-025, duly adopted by the City Council of the City on February 2, 2001, and by Resolution No. 01-2370M, duly adopted by the Board of Commissioners of the Agency on February 2, 2001, the City and Agency approved Modification to the Tax Increment Finance Plan (the "TIF Plan") for the District in order to: (i) add property to the District; (ii) update the portions of the TIF Plan describing the development activity which has occurred and is expected to occur in the District; and (iii) update the budget and the amount of bonded indebtedness with respect to the District.

1.02. Redevelopment Contract. In order to provide for the development of the District and the Project: (i) the Agency and the Minnesota Historical Society, a chartered public institution under the laws of the State of Minnesota ("MHS"), entered into a Redevelopment Contract, dated as of July 23, 2001 (the "Redevelopment Contract"); and (ii) the Agency and Brighton Development Corporation, a Minnesota corporation (the "Corporation"), entered into a Redevelopment Contract, dated as of July 23, 2001 (the "Humboldt Contract"). The Redevelopment Contract provided for the development of a Museum Element on the Museum Parcel and an Office Element on the Office Parcel (as all such terms are defined in the Redevelopment Contract). MHS assigned its Office Development Rights (as defined in the Redevelopment Contract) to Stone Arch Office Limited Partnership, a Minnesota limited partnership ("Stone Arch"), pursuant to the terms of an Assignment and Assumption of Redevelopment Contract (Office Development Rights), dated as of July 23, 2001 (the "Assignment"), between MHS and Stone Arch. The Humboldt Contract provides for the development of thirty-six residential ownership units in the former Humboldt Mill and adjacent property (the "Humboldt Condominiums").

1.03. The Finance Plan. The redevelopment of the District is comprised of the following four elements: (i) the Museum Element (also known as the Mill City Museum); (ii) the Office Element; (iii) the Humboldt Condominiums; (iv) the construction of Park Avenue South from Washington Avenue South to Second Street South; and (v) the construction of Chicago Avenue South from Washington Avenue South to Second Street South. The public redevelopment costs for the development and redevelopment of the District consist of the costs for historic preservation of the existing buildings in which the Museum Element, the Office Element, and the Humboldt Condominiums are located, the costs for the extension of Park Avenue South to Second Street South, and certain other related costs. The costs for the historic preservation of the existing buildings in which the Museum Element, the Office Element, and the Humboldt Condominiums are located was financed with the proceeds derived from the sale of Taxable General Obligation Tax Increment Bonds, Series 2001A (the "Series 2001A Bonds") issued by the City in the original aggregate principal amount of \$15,275,000. The costs for the extension of Park Avenue South to Second Street South was financed with the proceeds derived from the sale of General Obligation Tax Increment Bonds, Series 2001B (the "Series 2001B Bonds"), issued by the City in the original aggregate principal amount not to exceed \$1,100,000.

The City is proposing to issue a final series of bonds for the District, to be designated the General Obligation Tax Increment Bonds, Series 2003A (West Side Milling) (the "Series 2003A Bonds" or the "Bonds") in the aggregate principal amount of \$1,725,000 to be applied to the following purposes: (i) to construct Chicago Avenue South between Washington Avenue South and Second Street South; (ii) to construct the Chicago Avenue Plaza; and (iii) to pay 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 to pay the principal of, premium, if any, and interest on the Bonds when due. The Bonds are expected to be paid from net tax increment revenues derived from the District (the "Tax Increment Revenues").

1.04. Authority. The City is authorized to issue the Bonds to finance the public redevelopment costs of the District and the Project and to apply the Tax Increment Revenues and other revenues to the payment thereof under Minnesota Statutes, Section 469.178, as amended, and Minnesota Statutes, Chapter 475, as amended. Pursuant to the terms of Minnesota Statutes, Section 475.58, subdivision 1, as amended, no election is required because the City Council has determined, and hereby affirms, that not less than twenty percent (20%) of the public redevelopment costs for the development and redevelopment of 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 such term also includes 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.

"Pledge Agreement" means the Pledge Agreement to be entered into between the Agency and the City with respect to the issuance of the Bonds.

"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, Series 2003A (West Side Milling)." The Bonds shall be dated the date of issue or shall be dated such other date as the Finance Officer may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and 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 \$1,725,000, or such lesser amount as the Finance Officer shall determine to be necessary and appropriate to finance the costs for which the Bonds are to be issued. The Bonds shall bear interest at the rates per annum approved by the Finance Officer and shall be payable semiannually on March 1 and September 1 of each year, or on such other dates determined by the Finance Officer, commencing on March 1, 2004, 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 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 general obligation 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 the dates on and after which the Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. The redemption prices of the Bonds shall be 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 (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the registered owners in accordance with the terms of the Act and the terms of the Bonds. In the event of a partial redemption by lot of Bonds, the Bond Registrar shall assign to each Series 2003A 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 Series 2003A 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 Series 2003A Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal.

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 paying agents as the City may hereafter designate upon sixty (60) 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, the text of which may be printed on the face or on the back or partially on the face or back, 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 Bonds)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

No. R- _____

\$ _____

**CITY OF MINNEAPOLIS
GENERAL OBLIGATION TAX INCREMENT BOND
SERIES 2003A
(WEST SIDE MILLING)**

Interest Rate _____	Maturity Date _____	Date of Original Issue _____	CUSIP _____
	March 1, 20__	_____, 2003	

Registered Owner: _____

Principal Amount: _____ DOLLARS

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 Amount at the Interest Rate specified above from _____, 2003, or the most recent interest payment date to which interest has been paid or duly provided for as specified below, on March 1 and September 1 of each year, commencing March 1, 2004, until said Principal Amount 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 (60) 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 providing part of the funds to finance the public redevelopment costs for the development and redevelopment of a portion of the West Side Milling TIF District (the "District") located in the Industry Square Project in the City.

The Bonds 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 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. 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 and the security for the Bonds and interest thereon.

All Bonds maturing on or after March 1, 2013, are subject to redemption at the option of the City, in whole or in part in such order as the City may determine, on March 1, 2012, and any date thereafter at a redemption price equal to par plus accrued interest to the redemption date. Thirty (30) days' notice

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

The Bonds maturing on February 1, 20___, are subject to mandatory sinking fund redemption on February 1 of the following years in the following principal amounts:

[Redemption Table, if applicable]

The specific Bonds subject to mandatory sinking fund redemption are to be randomly selected by the Registrar. All prepayments of the Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price of par plus accrued interest to the redemption date. At the election of the City, Bonds redeemed pursuant to the exercise of any optional redemption may be applied as a credit against any mandatory sinking fund redemption.

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 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 are exchangeable for a like aggregate principal amount of Bonds 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 facsimile signature of its Mayor, countersigned by the facsimile signature of the Finance Officer, and attested with the facsimile signature of the City Clerk, 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)

Attest:

By _____
Mayor

City Clerk

Countersigned:

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:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STEMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

Include information for all joint owners if this Bond is held by joint account.)

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common

TEN ENT — as tenants by entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT --
_____Custodian_____
(Cust) _____ (Minor)
under Uniform Gifts or Transfers to Minors Act
_____ (State)

Additional abbreviations may also be used though not in the above list.

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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 a bond register in which the Bond Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. 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 any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. At the option of the registered owner, upon surrender of a Bond at the office of the Bond Registrar such Bond may 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 mailing 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 a securities depository 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 the 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 the Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of such 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, any premium, and any unused issuance costs shall be deposited in the Debt Service Account or applied to such authorized purposes as determined by the Finance Officer.

3.02. Bonds. The Bonds shall be executed by the respective facsimile signatures of the Mayor, Finance Officer and City Clerk and shall be sealed with a facsimile of the corporate seal of the City 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, shall accompany each Bond. When said Bonds shall have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the same 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 to be prepared, and the use thereof by the purchasers is approved.

3.04. Certificates. 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 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 Bonds and a certificate meeting the requirements of the arbitrage regulations under Section 148 of the Code. The Finance Officer shall also deliver to the purchasers of the Bonds a 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.

3.05. Pledge Agreement. The Pledge Agreement is hereby approved and shall be executed in substantially the form on file with the City, with such additions, deletions, and other changes as are approved by the Finance Officer. The Pledge Agreement is to be executed and delivered in order to satisfy the requirements of Minnesota Statutes, Section 469.178, subdivision 2, and Sections 475.58, subdivision 1, and 475.61, subdivision 1, of the Act. The Pledge Agreement creates rights in the City and the Agency but is not intended to create duties or obligations of the City or the Agency to any other persons (including the beneficial or registered owners of the Bonds) with respect to the Tax Increment Revenues or other revenues described or referenced in the Pledge Agreement, and is not intended to create rights in or claims by any other persons (including the beneficial or registered owners of the Bonds) with respect to the Tax Increment Revenues or other revenues described or referenced in the Pledge Agreement.

Section 4. Application of Proceeds; Redemption of Refunded 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 determined by the Finance Officer to pay interest on the Bonds shall be set aside and applied to such purpose; (iii) an amount sufficient to pay the public redevelopment costs proposed to be paid from the proceeds of the Series 2003A Bonds for the development and redevelopment of the District shall be set aside and applied to such purpose; and (iv) 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 Debt Service Account with respect to the Bonds 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 1.03 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 (if such 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 and the Agency may pledge or apply the Tax Increment Revenues to existing or future obligations of the City and the Agency 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 (5.00%) 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. 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 the registration of the Bonds.

6.02. 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 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.

6.03. 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 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. 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. The Finance Officer shall furnish an arbitrage certificate to the original purchasers of the Bonds 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.

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

Adopted 6/6/03.

Absent – Johnson.

**RESOLUTION 2003R-247
By Goodman and Johnson**

Amending The 2003 Minneapolis Community Development Agency 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 in Fund AWM0 by \$1,725,000 from the project fund balance, and increasing the 2003 revenue budget (3910-01, bond proceeds) by \$1,725,000.

Adopted 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget - Your Committee, having under consideration a request for approval to submit applications for Metropolitan Council Livable Communities Demonstration Account Opportunity Grants and Development Grants, now recommends approval, as amended, to submit the following application for an Opportunity Grant, for the amount indicated:

a) Karamu East, \$75,000.

Your Committee further recommends approval to submit the following applications for Development Grants, for the amounts indicated:

- b) Agape Child Care/Affordable Housing Initiative, \$500,000;
- c) Cedar-Riverside Transit-Oriented Neighborhood Improvement Project, \$275,000;
- d) Franklin-Portland Gateway, Phase III, \$1,000,000;
- e) Heritage Park, \$1,500,000;
- f) Karamu West, \$500,000;
- g) Little Earth of United Tribes Housing Corporation, Phase IV, \$500,000;
- h) Joseph Selvaggio, Phase II Housing Initiative, \$300,000;
- i) Midtown Revival, Phase 1, \$1,000,000; and
- j) Hiawatha Commons Project, \$500,000.

Your Committee further recommends approval to eliminate the Colin Powell Youth Leadership Center application, in the amount of \$750,000, unless their completed proposal includes housing.

Your Committee further recommends passage of the accompanying resolutions in support of said applications:

- a) Authorizing application for an Opportunity Grant; and
- b) Authorizing application for a Development Grant.

Your Committee further recommends that staff be directed to rank said applications in the order of priority, in accordance with the process described in the related staff report dated May 20, 2003.

Goodman moved to amend the report to recommend approval to submit an application for Elliot Park Neighborhood, Inc, for an Opportunity Grant of \$52,600 and to rank said application in accordance with the established process. Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-248, authorizing application for an Opportunity Grant through the Livable Communities Demonstration Program, was passed 6/6/03 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 2003R-248
By Goodman and Johnson

Authorizing application for an Opportunity Grant through the Livable Communities Demonstration Program.

Whereas, the City of Minneapolis is a participant in the Livable Communities Acts' Housing Incentives Program for 2003, as determined by the Metropolitan Council, and is therefore eligible to make application for funds under the Livable Communities Demonstration Account; and

Whereas, the City has identified a proposed project within the City that meets the Demonstration Account's purpose(s) and criteria; and

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project administration; and

Whereas, the City certifies that it will comply with all applicable laws and regulations, as stated in the contract agreements; and

Whereas, the City Council of Minneapolis, Minnesota agrees to act as legal sponsor for the project contained in the Opportunity Grant application submitted on June 2, 2003;

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

That the City Coordinator is hereby authorized to apply to the Metropolitan Council for this funding on behalf of the City of Minneapolis and to execute such agreements as are necessary to implement the project on behalf of the applicant.

Adopted 6/6/03.

Absent – Johnson.

Resolution 2003R-249, authorizing application for a Development Grant through the Livable Communities Demonstration Program, was passed 6/6/03 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.

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Whereas, the City of Minneapolis is a participant in the Livable Communities Acts' Housing Incentives Program for 2003, as determined by the Metropolitan Council, and is therefore eligible to make application for funds under the Livable Communities Demonstration Account; and

Whereas, the City has identified a proposed project within the City that meets the Demonstration Account's purpose(s) and criteria; and

Whereas, the City has the institutional, managerial and financial capability to ensure adequate project administration; and

Whereas, the City certifies that it will comply with all applicable laws and regulations, as stated in the contract agreements; and

Whereas, the City Council of Minneapolis, Minnesota agrees to act as legal sponsor for the project contained in the Development Grant application submitted on June 2, 2003;

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

That the City Coordinator is hereby authorized to apply to the Metropolitan Council for this funding on behalf of the City of Minneapolis and to execute such agreements as are necessary to implement the project on behalf of the applicant.

Adopted 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget - Your Committee, having under consideration the June, 2003 development funding cycle; and further having under consideration a recommendation to allocate Commercial Corridor funds, in the amount of \$40,000, as a low-interest loan to the American Indian Neighborhood Development Corporation to provide a tenant improvement allowance for a leased space in the Franklin Circles Shopping Center/Ancient Traders Market for Snyder Drug Stores, Inc; and

Further, having under consideration passage of the accompanying resolution amending the 2003 Minneapolis Community Development Agency (MCDA) Appropriation Resolution to increase the appropriation in Fund SCD0 (Community Development 595) by \$40,000; and

Further, having under consideration a recommendation that this action be transmitted to the Board of Commissioners of the MCDA;

now recommends that this matter be sent forward without recommendation.

Goodman moved to amend the report to delete the language, "sent forward without recommendation," and to insert in lieu thereof, the word, "approved." Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 6/6/03.

Absent - Johnson

**RESOLUTION 2003R-250
By Goodman and Johnson**

Amending The 2003 Minneapolis Community Development Agency 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 in Fund SCD0 by \$40,000 from the projected fund balance.

Adopted 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget - Your Committee, having under consideration the June, 2003 development funding cycle; and further having under consideration a recommendation to approve Minneapolis Industrial Land and Employment Strategy (MILES) funding, in the amount of \$110,000, for ongoing engineering and site work in the Seward South Industrial Park, including removal of contaminated soil, storm sewer construction and monitoring costs; and

Further, having under consideration a direction for appropriate staff of the Minneapolis Community Development Agency (MCDA) to provide an accounting and an analysis of the soil remediation and asbestos removal overrun costs for the ProFloor, Inc. development in the Seward South Industrial Park, for discussion at the Committee of the Whole meeting of June 5, 2003 and to consider approval of an additional MILES appropriation at the Council meeting of June 6, 2003; and

Further, having under consideration passage of the accompanying resolution amending the 2003 MCDA Appropriation Resolution to increase the appropriation in Fund SCD0 (Community Development 595) by \$110,000;

now recommends that this matter be sent forward without recommendation.

Schiff moved to amend the report to increase the appropriation by \$96,000, for a new appropriation total of \$206,000 for environmental and geotechnical work in Seward South Industrial Park for the ProFloor, Inc. development, and to amend the accompanying resolution accordingly. Seconded.

Adopted upon a voice vote.

Goodman moved to amend the report to delete the language, "sent forward without recommendation," and to insert in lieu thereof, the word, "approved." Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 6/6/03.

Absent – Johnson.

RESOLUTION 2003R-251
By Goodman and Johnson

Amending The 2003 Minneapolis Community Development Agency 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 in Fund SCD0 by \$206,000 from the projected fund balance.

Adopted 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget - Your Committee, having under consideration the Hiawatha and Lake Redevelopment Area, Sites LS3 and LS4, and a recommendation that the Minneapolis Community Development Agency (MCDA) Board of Commissioners select the proposal submitted by Cedar Lake Development Partners and authorize appropriate MCDA staff to continue analysis of Phase I of the redevelopment proposal and prepare and execute a Preliminary Agreement to negotiate; and further that this action be transmitted to the Board of Commissioners of the MCDA for said action, now recommends that this matter be sent forward without recommendation.

Goodman moved to amend the report to delete the language, "sent forward without recommendation," and to insert in lieu thereof, the word, "approved." Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 6/6/03.

Absent – Johnson.

Comm Dev & W&M/Budget – Your Committee recommends that the Director of the Minneapolis Empowerment Zone (EZ) Office report directly to the Interim Director of Community Planning and Economic Development/Executive Director, Minneapolis Community Development Agency (MCDA), in concurrence with the recommendation of the City Coordinator.

Your Committee further recommends amending the Council action of February 5, 1999 relating to the Implementation Plan/Process for the City of Minneapolis EZ Designation to read as follows:

“a) designation of the Community Planning and Economic Development Department (CPED) as the lead entity for the Implementation of the EZ initiative, with the Director of the Minneapolis EZ Office reporting directly to the Interim Director of CPED/Executive Director, MCDA.”

Your Committee further recommends that the City Finance Officer be directed to transfer EZ funds from the City Coordinator Administration Agency in the Federal Grants Fund (0300-840-8460) to the Community Planning and Economic Development Agency in the Federal Grants Fund (0300-890-8960).

Adopted 6/6/03. Yeas, 10; Nays, 2 as follows:

Yeas – Samuels, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Benson, Goodman, Lane, Ostrow.

Nays – Johnson Lee, Niziolek.

Absent – Johnson.

The **HEALTH & HUMAN SERVICES** Committee submitted the following reports:

H&HS - Your Committee recommends that the proper City Officers be authorized to execute Modification #3 to Grant Agreement #017641 with Hennepin County to add \$96,000 for a new total amount of \$336,000 to expand dislocated worker services to airport security and other airline industry workers laid off due to the impact on the industry of the events of September 11, 2001. Further, to execute a new grant agreement with Hennepin County to receive \$32,000 to provide services to Northwest Airline and related layoffs from a new round of layoffs beginning in 2003. Said services shall be provided through the two Minneapolis Workforce Centers during the period April 7, 2003 through March 31, 2004, payable from Health & Family Support (030-860-8600).

Adopted 6/6/03.

Absent - Johnson.

H&HS - Your Committee recommends that the proper City Officers be authorized to execute Amendment #1 to Contract #018311 with Hennepin County, Welfare-to-Work Joint Powers Agreement, to increase the amount by \$42,000 for a new total contract not to exceed \$429,250, for operation of the Welfare Reform Program during the period July 1, 2002 through June 30, 2003 to fund career development facilitator training for counselors, payable from Health & Family Support (030-860-8600).

Adopted 6/6/03.

Absent - Johnson.

The **HEALTH & HUMAN SERVICES** and **WAYS & MEANS/BUDGET** Committees submitted the following reports:

H&HS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to submit a grant application to the United States Department of Housing and Urban Development, Lead Outreach Grant Program, seeking up to \$500,000 for a 24-month period to increase enrollment of low income housing units, through lead hazard outreach and educational activities, into home lead abatement and treatment programs.

Adopted 6/6/03.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

H&HS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to accept a grant award of \$50,000 from the National Association of County and City Health Officials to provide funding to implement announced inspection strategies and associated activities for Risk 1 establishments in the City of Minneapolis. Further, passage of the accompanying Resolution appropriating said grant funds to the Department of Regulatory Services.

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-252 appropriating \$50,000 to the Department of Regulatory Services to fund announced inspection strategies and activities for Risk 1 establishments, was passed 6/6/03 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 2003R-252
By Johnson Lee and Johnson

Amending The 2003 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 Licenses & Consumer Services Agency in the Grants - Other Fund (060-835-8391) by \$50,000 and increasing the Revenue Source (060-835-8391 - Source 3720) by \$50,000.

Adopted 6/6/03.

Absent - Johnson.

H&HS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to collaborate as a sub-grantee with Hennepin County in submission of a grant request to the United States Department of Housing and Urban Development seeking up to \$3,000,000 in funds to be awarded for lead hazard assessment and control activities to be conducted primarily within the City of Minneapolis.

Adopted 6/6/03.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

H&HS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to collaborate as a sub-grantee with St. Paul Ramsey County Public Health Department in submission of a grant request to the United States Department of Housing and Urban Development seeking up to \$1,000,000 in funds to be awarded for a demonstration project providing environmental assessments for asthmatic children, remediation of hazards, education on home environment and associated services in the homes of daycare providers.

Adopted 6/6/03.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

The **INTERGOVERNMENTAL RELATIONS** Committee submitted the following report:

IGR - Your Committee recommends passage of the accompanying resolution supporting adoption of legislation enabling the creation of a pilot program to encourage the use of medical savings accounts by current and former public employees of the State of Minnesota and political jurisdictions thereof.

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-253, supporting adoption of legislation enabling the creation of a pilot program to encourage the use of medical savings accounts by current and former public employees, was passed 6/6/03 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 2003R-253

By Benson

Supporting the adoption of legislation that enables creation of a pilot program for current and former Minnesota public employees to establish medical savings accounts.

Whereas, the cost of health care and health insurance continues to rise at an alarming rate; and
Whereas, people who have reached the age of retirement are more likely to incur medical expenses than younger people; and

Whereas, the rising cost of health care and health insurance places an extreme financial burden on retirees living on a fixed income; and

Whereas, many public employers are establishing plans that will allow for tax-free contributions to be used for the employee's health care costs in retirement; and

Whereas, such plans and the associated tax advantages are presently available only to people who are still working and are not available to people have already retired;

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

That the City of Minneapolis supports the adoption of H.R. 1670, Senate File 729 legislation that would enable the creation of a plan under which retirees could contribute money to be used for qualified health care expenses and to allow retirees to enjoy the same tax advantages available to active employees with regard to such plans.

Be It Further Resolved that the City of Minneapolis urges the Congress of the United States to pass legislation enabling the creation of a pilot program for current and former Minnesota public employees to establish medical savings accounts ("MSAs") into which a retired public employee or a public employee could make a tax-deductible contribution monthly/annually each year and for which any earnings on the assets of the MSA and payments or distributions from the MSA which are used to pay qualified medical expenses do not constitute taxable income.

Adopted 6/6/03.

Absent - Johnson.

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

PS&RS - Your Committee recommends passage of the accompanying Resolution granting the application of Perry's Pizza, 825 Washington Av SE, for an On-Sale Liquor Class E with Sunday Sales License, subject to conditions.

Adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

Resolution 2003R-254, granting the application of Perry's Pizza, 825 Washington Av SE, for an On-Sale Liquor Class E with Sunday Sales License, subject to conditions, was passed 6/6/03 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 2003R-254

By Niziolek

Granting the application of Perry's Pizza, 825 Washington Av SE, for an On-Sale Liquor Class E with Sunday Sales License, subject to conditions.

Whereas, a public hearing was held on the application submitted by Maximo Pizza Corporation, dba Perry's Pizza, 825 Washington Av SE, for an On-Sale Liquor Class E with Sunday Sales License (new business; change from On-Sale Wine);

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

That it grants said application submitted by Perry's Pizza for an On-Sale Liquor Class E with Sunday Sales License to expire April 1, 2003, subject to the following conditions:

- a. a minimum of one additional wait staff employee shall be on duty at all times.
- b. a minimum of one additional employee shall be assigned to security duties that shall include verifying the age of customers as they enter the establishment and monitoring the conduct of patrons that use the shared restrooms between the hours of 9:00 p.m. and closing on Thursdays, Fridays and Saturdays.
- c. all wait and security staff shall undergo alcohol server training from an approved provider immediately upon hire.
- d. the licensee must pick up trash within 100 feet of the establishment on a daily basis.
- e. final inspection and compliance with all provisions of applicable codes and ordinances.

Adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

PS&RS - Your Committee, having under consideration the application of D'Amico & Sons Inc, dba D'Amico & Sons, 555 Nicollet Mall and 2210 Hennepin Av, for an On-Sale Wine Class E with Strong Beer License (new manager and internal transfer of shares) to expire April 1, 2004, now recommends that said license be sent forward without recommendation.

Niziolek moved to amend the report by deleting the language "sent forward without recommendation" and inserting in lieu thereof the word "approved". Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

PS&RS - Your Committee, having under consideration the application of One Eyed Dog Ltd, dba Triple Rock, 629 Cedar Av, for an On-Sale Liquor Class B with Sunday Sales License (upgrade from Class E with Sunday Sales and regular expansion of premises) to expire July 1, 2003, now recommends that said license be sent forward without recommendation.

Niziolek moved to amend the report by deleting the language "sent forward without recommendation" and inserting in lieu thereof the word "approved". Seconded.

Adopted by unanimous consent.

The report, as amended, was adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

PS&RS - Your Committee, having under consideration the application of Apple American Limited Partnership of Minnesota, dba Applebee's Neighborhood Grill & Bar, 615 Washington Av SE, for an On-Sale Liquor Class E with Sunday Sales License (new business) to expire April 1, 2004, now recommends

that said license be granted, subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

PS&RS - Your Committee, having under consideration the application of Loring Grill LLC, dba Loring Grill, 1614 Harmon Pl, for an On-Sale Liquor Class E with Sunday Sales License (change in ownership from Minds Eye Inc) to expire April 1, 2004, now recommends that said license be granted, subject to final inspection and compliance with all provisions of applicable codes and ordinances.

Adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

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

Adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

Resolution 2003R-255, granting Liquor, Wine and Beer Licenses, was passed 6/6/03 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 2003R-255

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:

On-Sale Liquor Class A with Sunday Sales, to expire May 8, 2003

80 So 8th St Hotel Operations Inc, dba Marquette Hotel, 710 Markette Av (temporary expansion of premises, May 8, 2003, 5:00 p.m. to 7:00 p.m., Crystal Court, IDS Center);

On-Sale Liquor Class B with Sunday Sales, to expire January 1, 2004

JWM Investments Inc, dba Mayslacks, 1428 4th St NE (temporary expansion of premises with outdoor entertainment, May 24 & 25, May 30 & 31, and June 1, 2003, 3:30 p.m. to 10:30 p.m.);

Haze 3 Corp, dba Grumpy's Bar & Grill, 2200 4th St NE (temporary expansion of premises with outdoor entertainment, May 17, 2003);

On-Sale Liquor Class B with Sunday Sales, to expire October 1, 2003

German Restaurant Inc, dba Gasthof Zur Gemutlichkeit, 2300 University Av NE (temporary expansion of premises with outdoor entertainment, June 6 & 7 and 13 & 14, 2003 5:00 p.m. to 11:00 p.m.);

On-Sale Liquor Class C-2 with Sunday Sales, to expire October 1, 2003

Aquavit Minnesota LLC, dba Aquavit Minnesota, 701 Nicollet Mall (internal transfer of shares - William Hibbs bought out Robert Hibbs);

On-Sale Liquor Class E with Sunday Sales, to expire July 1, 2003

Starmac Inc, dba Champions Saloon & Eatery, 105 W Lake St (new shareholder/corporate officer);

Starmac Inc, dba Champions Saloon & Eatery, 105 W Lake St (internal transfer of shares);

Minnesota Vikings Ventures Inc, dba Vikings, 500 11th Av S (new manager);

Temporary On-Sale Liquor

Basilica of St. Mary, dba Basilica of St. Mary, 88 17th St N (July 11 & 12, 2003, 5:00 p.m. to 10:30 p.m., Basilica Grounds, 16th St & Parking Lot on Linden and 15th St; Licensed Facilitator: Murray's);

Off-Sale Beer, to expire April 1, 2004

Aboud Ossamas, dba Market Express, 3159 Chicago Av;

Temporary On-Sale Beer

GLBT Price/Twin Cities, dba GLBT Pride, 201 W 15th St #408 (June 28, 2003, 5:00 p.m. to 11:00 p.m. at Ritz Parking Lot);

GLBT Pride/Twin Cities, dba GLBT Pride, 201 W 15th St #408 (June 28, 2003, Noon to 10:00 p.m. and June 29, Noon to 6:00 p.m. at Loring Park).

Adopted 6/6/03.

Declining to Vote - Benson.

Absent - Johnson.

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

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-256, granting applications for Business Licenses, was passed 6/6/03 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 2003R-256

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 June 6, 2003 be granted, subject to final inspection and compliance with all provisions of the applicable codes and ordinances (Petn No 268824):

Car Wash; Dance Hall; Dry Cleaning & Laundry Pickup Station; Laundry; Place of Entertainment; All Night Special Food; Caterers; Confectionery; Food Distributor; Grocery; Indoor Food Cart; Food Manufacturer; Mobile Food Vendor; Drive In Food; Restaurant; Food Shelf; Short-Term Food Permit; Seasonal Short Term Food; Sidewalk Cafe; Vending Machine; Gasfitter Class A; Gasoline Filling Station; Lodging House with Boarding; Motor Vehicle Repair Garage; Commercial Parking Lot Class A; Commercial Parking Lot Class B; Refrigeration Systems Installer; Residential Specialty Contractor; Steam & Hot Water Systems Installer; Suntanning Facility; Swimming Pool – Public; Taxicab Neighborhood Rideshare; Taxicab Vehicle; Taxicab Non-transferable; Tobacco Dealer; Combined Trades; Tree Servicing; Valet Parking; and Wrecker of Buildings Class A.

Adopted 6/6/03.

Absent - Johnson.

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

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-257, granting applications for Gambling Licenses, was passed 6/6/03 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 2003R-257
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

Southwest Hockey Inc, dba Southwest Hockey Inc, 3011 E Lake St (Site: Casey's Bar & Grill, 3510 Nicollet Av);

Gambling Lawful Exempt

Church of St. Anthony of Padua, dba Church of St. Anthony of Padua, 804 2nd St NE (Bingo, Raffles, Paddlewheels, Pulltabs and Tipboards August 3, 2003);

Chrysalis Center for Women, dba Chrysalis Center for Women, 4432 Chicago Av S (Raffle June 14, 2003 at Minnesota Opera Center, 620 1st St N);

Partnership Resources Inc, dba Partnership Resources Inc, 950 E Hennepin Av (Raffle October 10, 2003 at Mill City Coffee House, 2205 California St NE).

Adopted 6/6/03.

Absent - Johnson.

PS&RS - Your Committee recommends passage of the accompanying Resolution granting the application of Broadway Food & Gas, 1905 W Broadway Av, for Provisional Grocery, Food Manufacturer, Gas Station and Tobacco Licenses, subject to conditions.

Adopted 6/6/03. Yeas, 11; Nays, 1 as follows:

Yeas - Samuels, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Niziolek, Benson, Goodman, Lane, Ostrow.

Nays - Johnson Lee.

Absent - Johnson.

Resolution 2003R-258, granting the application of Broadway Food & Gas, 1905 W Broadway Av, for Provisional Grocery, Food Manufacturer, Gas Station and Tobacco Licenses, subject to conditions, was passed 6/6/03 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 2003R-258
By Niziolek

Granting the application of Broadway Food & Gas, 1905 W Broadway Av, for Provisional Grocery, Food Manufacturer, Gas Station and Tobacco Licenses, subject to conditions.

Resolved by The City Council of The City of Minneapolis:

That it grants the application submitted by E and A Inc, dba Broadway Food & Gas, 1905 W Broadway Av, for Provisional Grocery, Food Manufacturer, Gas Station, and Tobacco License (new proprietor) to expire April 1, 2004, subject to the following conditions:

- a. the licensee agrees not to install any pay telephones either inside or outside the store.
- b. the licensee will call Officer Judy Perry by February 3, 2003 to schedule a formal security survey.

c. the licensee shall comply with the Surveillance Camera Ordinance. All cameras will have recording devices attached to them and Officer Perry will assist in the proper placement.

d. "No Trespassing" signs will be posted by February 3, 2003. Staff will immediately ask people loitering to leave. If they refuse, staff will call 911 and cooperate with police once they arrive.

e. security will be present on Thursday, Friday and Saturday nights from 6:00 p.m. until closing time. If security is not present, the store will remain closed until security can be on-site and visible.

f. the licensee will create a system for issuing and tracking 90-day "No Trespassing" Notices complete with pictures of trespassed people, and will work with the CCP/SAFE Team and Lt. Wagenpfeil to start the system by February 3, 2003.

g. the licensee agrees not to sell items which are commonly used by drug users and drug dealers in their street business. These items include glass pipes (sometimes with roses inside), brillo pads or Chore Boy, small zip lock baggies, dice, single use tobacco products and rolling papers. The licensee also agrees not to supply matches to non-tobacco customers effective February 3, 2003.

h. the owner and one manager will attend the District Meeting for Northside Residents Neighborhood Association and the Broadway Business Association monthly meetings.

i. the licensee shall keep all lights properly functioning and will add lights if recommended by Officer Perry.

j. the licensee shall clean the property of litter and trash daily, including the area within 100 feet of the property lines.

k. all windows will be free of signs and other items that block the view in and out. Merchandise on shelves will be kept low to ensure proper surveillance of the store interior by clerks.

l. the licensee will ensure that a minimum of two staff people are working from 3:00 p.m. to closing every day to ensure proper monitoring of the pumps and to reduce negative behaviors.

m. the licensee will contact a private towing company to remove all unauthorized vehicles and will have the tow company signs clearly posted by February 3, 2003.

n. the licensee shall chain off the lot after hours to prevent vehicles from using the lot. The locked chain will be anchored by poles and will have reflective material to meet Crime Prevention Through Environmental Design (CPTED) standards.

o. the licensee agrees to remove all old or faded signs from the exterior and to keep signs and banners hung straight with all corners fastened according to CPTED standards.

p. the licensee will provide a screened and adequate dumpster with a closeable lid and empty it weekly.

q. the licensee shall comply with all Environmental Health orders and all Zoning Site Plan requirements and deadlines for completing the work.

r. the licensee will pay all fees and fines by their due dates.

Adopted 6/6/03. Yeas, 11; Nays, 1 as follows:

Yeas - Samuels, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Niziolek, Benson, Goodman, Lane, Ostrow.

Nays - Johnson Lee.

Absent - Johnson.

PS&RS - Your Committee recommends passage of the accompanying Resolution responding to Air Pollution Alerts by the City of Minneapolis and its staff.

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

Adopted upon a voice vote.

The report was adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-259, responding to Air Pollution Alerts by the City of Minneapolis and its staff, was passed 6/6/03 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 2003R-259
By Niziolek, Zerby, Benson and Zimmermann

Responding to Air Pollution Alerts by the City of Minneapolis and its staff.

Whereas, the Minneapolis City Council's goal is to ensure healthy ambient air quality in Minneapolis and surrounding areas; and

Whereas, air quality is deteriorating due to increasing levels of ground level ozone, fine particles, air toxins and other air pollutants; and

Whereas, federal air quality thresholds for ground level ozone and other pollutants are being approached; and

Whereas, costly regulatory requirements will be mandated if federal thresholds are exceeded and the area is deemed "non-attainment" with the ground level ozone standard; and

Whereas, the cost associated with federal "non-attainment" is estimated at \$270 million dollars annually (in 1998 dollars); and

Whereas, non-attainment may adversely affect development and business opportunities in Minneapolis; and

Whereas, Ground Level Ozone is a lung irritant that can increase the likelihood of adverse respiratory symptoms and breathing discomfort in active children, adults, and people with respiratory disease, such as asthma, but may also affect healthy people at times; and

Whereas, sources of pollutants that contribute to ground level ozone, fine particles and other pollutants include automobiles, trucks, power plants, painting, solvents, cleaning chemicals, small engines, printing presses and gasoline service stations, among many other sources; and

Whereas, there is considerable potential for air pollution prevention in city government; and

Whereas, the Minneapolis City Council supports the City of Minneapolis' involvement in Clean Air Minnesota, a collaborative effort of business, environmental, and government organizations to achieve significant, measurable reductions in air pollutants and to improve air quality, primarily through voluntary measures; and

Whereas, the City of Minneapolis recognizes the joint efforts of Clean Air Minnesota's Steering Committee Members, which include: Minnesota Environmental Initiative, Minnesota Chamber of Commerce, Minnesota Center for Environmental Advocacy, 3M, American Lung Association of Minnesota, Andersen Corporation, Barr Engineering, Bush Foundation, City of Minneapolis, Flint Hills Resources, Ford Motor Company, Hennepin County, Izaak Walton League of America – Midwest Office, Metropolitan Council, Minnesota Department of Health, Minnesota Office of Environmental Assistance, Minnesota Pollution Control Agency, Minnesota Power, Target Corporation, US Environmental Protection Agency, Region 5, University of Minnesota, Minnesota Technical Assistance Program, Rock Tenn, Xcel Energy;

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

That it hereby encourages and supports the following actions to be taken by the City of Minneapolis, its staff, citizens and businesses, in response to air pollution alert days:

1. alert staff and citizens of Ambient Air Quality Alerts via email and the Internet;
2. perform lawn care and maintenance that minimizes air pollution and postpones using/idling gas powered lawn equipment. Instead, perform duties such as planting, watering, weeding, maintaining/repairing equipment, and proceed with the use of electric/battery generated equipment; postpone fueling city fleet vehicles, automobiles, trucks, and other gas/diesel fired engines;
3. plan trips to avoid single occupancy driving; instead use the bus, carpool, walk or delay travel;
4. shut off engines and minimize unnecessary idling of all City fleet, automobiles, trucks and gas/diesel fired engines;
5. conserve energy by shutting off computer monitors when away for more than one-half hour;
6. conserve energy by turning off unoccupied and unnecessary lights or energy sources;
7. make freely available to City employees the resource materials or educational programs they may need to make environmentally sound decisions that aid in air pollution prevention;

8. postpone painting and using solvents by proceeding with projects that do not involve the use of Volatile Organic Compound (VOC) containing materials;

9. evaluate annual gains in air pollution prevention and acknowledge outstanding efforts with appropriate recognition;

10. promote regular communication and cooperation between City departments through the Environmental Coordinating Team.

Adopted 6/6/03.

Absent - Johnson.

PS&RS - Your Committee recommends that the Downtown area be identified as the geographic area to conduct a Nuisance Night Court Pilot Project.

Adopted 6/6/03.

Absent - Johnson.

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

PS&RS & W&M/Budget - Your Committee, having under consideration the provision of Police Bomb Disposal Unit services to other jurisdictions within the State as needed, now recommends that the proper City Officers be authorized to:

a. execute an amendment to the Grant Agreement with the Minnesota Department of Public Safety to extend the grant period to June 30, 2004 to permit time to expend all the grant funds previously received in February 2003.

b. accept a new grant award of \$38,000 for Fiscal Year 2004-2005.

c. execute a new Joint Powers Agreement with the Minnesota Department of Public Safety - Emergency Response Commission to provide services during the period July 1, 2004 through June 30, 2005.

Adopted 6/6/03.

Absent - Johnson.

PS&RS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to accept donated equipment from Target Corporation, in an amount to be determined, to tie new and existing downtown security camera systems together, to be monitored from a central location, to detect and prevent crime and conduct surveillance of suspected criminal activity in the Downtown Safe Zone Project area. (Petn No 268827)

Adopted 6/6/03. Yeas, 8; Nays, 4 as follows:

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

Nays - Zimmermann, Schiff, Benson, Lane.

Absent - Johnson.

PS&RS & W&M/Budget - Your Committee recommends that the proper City Officers be authorized to execute an amendment to the contract with the Police Executive Research Forum to extend the grant period to July 31, 2003 to allow more time to expend the initial grant award that supports the Collaborative Leadership Project that funds Police Department efforts of community outreach and developing new partnerships and sharing of information.

Adopted 6/6/03.

Absent - Johnson.

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

T&PW - Your Committee, to whom was referred ordinances amending the Minneapolis Code of Ordinances to will allow the Public Works Department to utilize the Administrative Enforcement and hearing process in regulating and controlling activities within the public rights of way of the city, now recommends that the following ordinances be given their second reading for amendment and passage.

Title 1, Chapter 2, relating to: *General Provisions: Administrative Enforcement and Hearing Process*;

Title 5, Chapter 95 relating to *Building Code: Projections and Encroachments*;

Title 17 Chapter 429 relating to *Streets and Sidewalks: Right-of-Way Administration*; and

Title 17 Chapter 430 relating to *Streets and Sidewalks: Right-of-Way Permits*.

Colvin Roy moved that the report be referred back to the Transportation and Public Works Committee. Seconded.

Adopted upon a voice vote.

Absent - Johnson.

T&PW - Your Committee recommends that the proper City officers be authorized to execute Change Order No. 5 for the 800 MHz Project, increasing Contract No. 14248 with Motorola, Inc. by \$350,000 for a new total of \$5,734,540.50 to be funded from existing department budget.

Your Committee further recommends extending the end date to December 31, 2006 to allow the City the opportunity to continue purchasing discounted electronic hardware devices on an as needed basis.

Adopted 6/6/03. Yeas, 11; Nays 1 as follows:

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

Nays - Benson.

Absent - Johnson.

T&PW - Your Committee recommends passage of the accompanying Resolution to adopt the 2003 Minneapolis Stormwater Management Program and Annual Report, pursuant to the City of Minneapolis National Pollutant Discharge Elimination System (NPDES) Permit #MN0061018 in Chapter 2, Section 14.

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-260, adopting the Minneapolis 2003 Stormwater Management Program and Annual Report, was passed 6/6/03 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 2003R-260

By Colvin Roy

Adopting the Minneapolis 2003 Stormwater Management Program and Annual Report.

Whereas, The City of Minneapolis is committed to improving the water quality in the lakes, wetlands, and streams; and

Whereas, on December 1, 2000, Minneapolis was issued National Pollutant Discharge Elimination System Municipal Separate Storm Sewer Permit #MN0061018 (Permit); and

Whereas, as required under the Permit, a Public Hearing was conducted and now the 2003 Stormwater Management Program and Annual Report will be submitted to the Minnesota Pollution Control Agency; and

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

That the Minneapolis City Council hereby adopts the 2003 Stormwater Management Program and Annual Report as the City's Stormwater Management Plan.

Adopted 6/6/03.

Absent - Johnson.

T&PW - Your Committee, to whom was referred a ordinance amending Title 17, Chapter 455 of the Minneapolis Code of Ordinances relating to *Streets and Sidewalks: Block Events* to allow changes in permit requirements, application process, conditions of application, basis for denial, time and place, business district insurance, bonds, and defining Chief of Police, Director of Public Works, and block event barricades as set forth in Petn No 268828 on file in the Office of the City Clerks, now recommends that said Ordinance be given its second reading for amendment and passage.

Your Committee further recommends that for 2003 National Night Out block events, the appropriate Public Works staff be directed to arrange for such barricades as may be necessary in conformance with good and safe engineering practice at the lowest cost to the City.

Colvin Roy moved to divide the report so as to consider separately that portion relating to the staff direction. Seconded.

Adopted upon a voice vote.

Colvin Roy moved adoption of the balance of the report. Seconded.

Adopted 6/6/03. Yeas, 11; Nays as follows:

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

Nays - Niziolek.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

Ordinance 2003-Or-061 amending Title 17, Chapter 455 of the Minneapolis Code of Ordinances relating to *Streets and Sidewalks: Block Events* relating to raising the fees in general, increasing the fee on a sliding scale; the later the application is received the more it costs. The new fees would be effective June 15, 2003. Raising the standard insurance rate for business block events to \$300,000 for one claimant and \$1,000,000 for multiple claimants. Simplifying the process by reducing the number of sign offs and need for resident signatures. The appeal process on a denial has been clarified and expanded. Language dealing with two or more events at the same time and the location is included in the proposed ordinance. Finally, to reduce costs to Public Works, yellow tape is recommended to block both ends of the street or barriers can be rented from the private sector. Public Works will be out of the barrier delivery/pickup business. Tape would be available at Fire Stations and neighborhood organizations. This ordinance was passed 6/6/03 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 2003-Or-061

By Lilligren

Intro & 1st Readings: 6/7/02, 5/2/03 & 5/16/03

Ref to: T&PW

2nd Reading: 6/6/03

Amending Title 17, Chapter 455 of the Minneapolis Code of Ordinances relating to Streets and Sidewalks: Block Events.

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

Section 1. That Section 455.10 of the above-entitled ordinance be amended by adding thereto the following definitions in alphabetical sequence, as follows:

455.10. Definitions. As used in this chapter:

(o) Chief of police is the chief of the Minneapolis Police Department, or the police chief designee.

(p) Director of public works is the director of the Minneapolis Department of Public Works and Engineering, or director of public works designee.

(g) Block event barricade shall mean a barricade which meets the specifications set by the department of public works, or, in the case of residential events only, a barricade or yellow tape of a type approved by the department of public works and/or signage which is displayed in a manner specified by the department of public works.

Section 2. That Section 455.15 of the above-entitled ordinance be amended to read as follows:

455.15. Permit required. No person shall engage in, participate, aid, form or hold any block event, unless a permit therefor shall have been obtained from the city as herein provided. A block event permit is valid only for the date specified, except that a block event may, because of weather, be postponed to the next day upon the written approval of the director of public works or ~~his/her~~ director of public works designee.

Section 3. That Section 455.20 of the above-entitled ordinance be amended to read as follows:

455.20. Application process. ~~Filing: (a) Filing of application for permit.~~ Filing: (a) Filing of application for permit. For calendar year 2003 only, A a person seeking issuance of a block event permit shall file an application with ~~the city clerk~~ city council staff in person, electronically, by facsimile, or by United States mail on forms provided by ~~such officer the city.~~ Residential area events or events pursuant to section 455.35(c)(2) shall be filed in person, electronically, by facsimile, or United States mail or ~~postmarked not less than fourteen (14) days before the proposed date of the event.~~ An application for a block event in the central business district or neighborhood business district shall be filed in person, electronically, by facsimile, or postmarked not less than thirty (30) eleven (11) days before the proposed date of the event.

(b) Deadlines for application; fees for permit.

(1) ~~Fees: Fees for R~~residential area events and events pursuant to 455.35(c)(2) are based upon the date filed in person, electronically, by facsimile, or postmarked as follows:

Thirty-five (35) days or more prior to the event, fifteen dollars (\$15.00);	<u>\$25.00</u>
Twenty-two (22) to thirty-four (34) days, twenty-five dollars (\$25.00);	<u>\$40.00</u>
fourteen (14) Fifteen (15) to twenty-one (21) days, thirty dollars (\$30.00);	<u>\$60.00</u>
<u>Seven (7) to fourteen (14) days</u>	<u>\$160.00</u>
<u>Four (4) to six (6) days</u>	<u>\$200.00</u>

(2) Fees for a central business district or neighborhood business district are based upon the date filed in person, electronically, by facsimile, or postmarked as follows:

Forty-five (45) days or more prior to the event, one hundred dollars (\$100.00);	<u>\$200.00</u>
Thirty (30) to forty-four (44) days, one hundred fifty dollars (\$150.00);	<u>\$250.00</u>
<u>Twenty nine (29) to twenty (20) days</u>	<u>\$350.00</u>
<u>Eleven (11) to nineteen (19) days</u>	<u>\$400.00</u>

(3) ~~The city clerk~~ City council staff shall accept the permit fee which that is not refundable.

Payment is due at the time of application, but in the case of applications made electronically or by facsimile, payment and original affidavit must be received within three (3) days of the electronic or facsimile submission of the application. The increase of fees shall become effective ~~January 1, 1995, following reasonable notification by the city~~ June 15, 2003. In 1994, residential block event fees will be fifteen dollars (\$15.00) and filed or postmarked no less than fourteen (14) days before the proposed date of the event and central business district or neighborhood business district fees will be one hundred dollars (\$100.00) and shall be filed or postmarked not less than thirty (30) days before the event.

Approvals: The application for residential and business district block events shall be referred to the director of public works and the council member of the ward wherein the block event is to be held; the application for business district block events shall also be referred to the chief of police. If alcoholic beverages are to be sold at the block event, the application shall also be reviewed by the police license division and the division of licenses and consumer services.

The director of public works, the chief of police and the appropriate elected official shall examine the business district block event application, and the director of public works and the appropriate elected official shall examine the residential block event application, and shall approve the same unless they find it is found that the application fails to meet the applicable requirements contained in section 455.25 or 455.35 or if there is a basis for denying the application under section 455.30. If the appropriate city officers approve the application, the city clerk shall issue the permit.

(c) Approval of block event permit. Prior to approval or denial of the permit, city council staff will refer the block event permit application to the following:

- (1) The director of public works for all applications.
- (2) The chief of police for central or neighborhood business district block event applications.
- (3) The police license inspection division and the division of licenses and consumer services if the application states that wine, intoxicating malt beverages or non-intoxicating malt beverages will be sold. The divisions will report any findings concerning the applicant to The chief of police and the director of public works.

The chief of police, for a business block event permit application, and the director of public works, for all applications, shall review the application and determine if the application meets the requirements of this chapter, or if there is a basis for denial of the permit under section 455.30 of this chapter. If an official denies an application, the reasons for denial shall be made in writing. Upon approval of these officials, city council staff shall issue the permit.

(d) Notification of council member(s). Immediately upon receipt of a block event application, city council staff receiving the application shall forward a copy of the application to the council member(s) in whose ward(s) the event is proposed to take place. Such council member(s) may offer written comments to the director of public works concerning whether the application is in compliance with the provisions of this chapter, or if there is a basis for denial under section 455.30.

(e) Appeals:

(1) Appeal to city council. If the application is not approved by ~~all three~~ (3) the officials indicated above within five (5) days of its filing (excluding Saturdays, Sundays and holidays) or if ~~written objection thereto is made by the official disapproving the application,~~ the application is denied by any of the officials, or the official's designee, ~~city clerk~~ city council staff shall upon request by applicant thereupon refer the application to the appropriate committee which shall make its recommendations concerning the application to the full city council. The city council shall have the authority to consider any application which lacks approval of the director of public works, or the chief of police, ~~or the appropriate elected official,~~ or which has not been timely filed.

(2) Judicial review. If the appeal is denied by the city council, the applicant may immediately seek such judicial review as permitted by law.

(f) Notification of issuance of permit. Upon the issuance of the block event permit, ~~the city clerk~~ city council staff shall immediately so advise the chief of police, chief of the fire department, the director of public works, the director of licenses and consumer services of the city, and the council member of the ward affected.

Section 4. That Section 455.25 (c), (f), (h) and (i) of the above-entitled ordinance be amended to read as follows:

455.25. Conditions of application. An application for a block event shall be executed by the applicant, or applicants, who shall each therein certify:

(c) In the case of a residential block event, the application must be accompanied by a ~~petition document~~ containing ~~signatures~~ names and addresses representing seventy-five (75) per cent of the households on the block or blocks abutting the street approving the event, and an affidavit by the applicant affirming that the residents and addresses on the petition have agreed to the event and represent a minimum of seventy-five (75) percent of the households on the block or blocks abutting the street approving the event.

(f) In the case of all block events, the applicant will, without expense to the city, immediately clean up, remove and dispose of all litter or material of any kind associated with the event which is placed or left on the street or sidewalk of the block(s) on which the event is held; and also on any of the immediately adjacent blocks. If the applicant neglects or fails to cleanup within the three-hour period immediately following the end of the block event, or if cleanup is done in an inadequate manner, the ~~city engineer~~ director of public works is authorized to do the cleanup and the applicant shall be charged for said cost.

(h) The applicant will be responsible for the placement, maintenance and removal of block event barricades, which in the case of a ~~residential area block event shall be provided free of charge by the city at the location of such block event,~~ and which in the case of a business district block event shall be provided by the applicant at the applicant's own expense. For residential block events only, yellow

tape and/or signage will be available to the applicant upon presentation of a valid residential block event permit to a city fire station or local neighborhood association office or barricades provided by Public Works. The applicant must attach the block event permit and/or official signage closing the street in a manner specified by the department of public works.

(i) The block event is in no way a commercial promotion or activity and the overall purpose of the license permit shall be to enhance the stated purpose of the applicant organization and no private organizer or promoter shall derive excessive profits from the event. The ~~director~~ city may require presentment of the ~~licensee's~~ permit holder's books of account to aid in the determination of compliance with this section.

Section 5. That Section 455.30 of the above-entitled ordinance be amended to read as follows:

455.30. Basis for denial. An application for a block event permit may be denied only if:

(a) The application does not comply with applicable requirements of this chapter;

(b) The place where the block event is to be held is considered a major thoroughfare generally including snow emergency routes, arterial streets, state and county highways, bus routes and streets controlled by semaphores unless traffic flow can be reasonably accommodated on adjacent streets.

(c) The place where the block event is to be held is under construction or is scheduled to be under construction on the date when the block event is to be held;

(d) The place where the block event is to be held is partially barricaded because of construction on the abutting property and the construction interferes with normal traffic flow or is a safety hazard or if the location is on a detour route for either a construction project or other scheduled event such as a race, parade, etc;

(e) The place where the block event is to be held is in such close proximity to a hospital or fire station as to unduly interfere with the quietude of patients, or the movement of ambulances or fire-fighting equipment;

(f) The applicant, or organization on whose behalf the application is made, has within the previous eighteen (18) months violated the provisions of this chapter;

(g) The block event would conflict with a prior scheduled event within four (4) blocks so as to substantially interrupt the safe and orderly movement of traffic;

(h) The block event would interfere with emergency activities or maintenance operations such as snow removal or street sweeping;

(i) There is a clear and convincing showing by an abutting business that such block event would create an undue financial hardship upon it;

(j) There have been three (3) or more prior block events on such block within the calendar year;

(k) The block event is scheduled to take place within one block of a polling place during the hours of voting;

(l) The block event would constitute a commercial promotion or activity.

(m) There has been a total of at least three (3) incidents, in two (2) prior consecutive block events, as shown by a preponderance of the evidence, held within five (5) years prior to the date of the proposed block event by the applicant or the organization on whose behalf the application is made, involving any of the following, as defined by state law and/or city ordinance:

(1) Assault or indecent or disorderly conduct;

(2) The illegal sale or distribution of alcoholic beverages;

(3) The illegal sale or distribution of food;

(4) A violation pertaining to noise, including the failure to obtain a permit for the use of sound amplifying equipment; ~~or~~

(5) A violation of any provision of this chapter.

(n) The location and dates of the proposed block event would interfere with another event that has been previously held on or about the same dates in the previous year, even if a permit has not yet been applied for or approved for the other event, where there is reason to believe the other event will be held again; or

(o) If more than one application is received for proposed block events to be held on the same date(s), including rain days, in the same location or within four (4) blocks of each other, then any of the applications may be denied based on the following considerations:

- (1) Whether an applicant has previously received a permit for the same event or event dates (i.e. a recurring event).
- (2) Whether an applicant has received or intends to seek other permits for block events in the area within one (1) year before or after the date of the proposed event.
- (3) Whether one of the applications was approved prior to receipt of the second application for a block event permit for the same location and day(s).

Section 6. That Section 455.35 (a) and (b) of the above-entitled ordinance be amended to read as follows:

455.35. Time and place. Subject to the provisions of sections 455.25 and 455.30:

(a) For business district events the applicant is required to pay all costs for traffic control measures and traffic control personnel required by the public works or police departments. Residential area events may be required to pay those costs ~~barricades shall be provided free of charge to residential block events;~~

(b) Residential area: A block event may be permitted, provided:

- (1) That the block event, including set up time, is held only between the hours of 10:00 a.m. and 10:00 p.m.;
- (2) That the block event is contained on one or more contiguous blocks on the same street. Closure of multiple contiguous blocks will only be granted when the director of public works ~~and chief of police or their designee~~ determine that the closure will have no adverse effects on the safe function of the roadway;
- (3) That the block event is not held on any street designated as a bus route, snow emergency route, arterial street, or as a state or county highway unless traffic flow can be reasonably accommodated on adjacent streets; and
- (4) That at least a ten-foot aisle is kept unobstructed at all times to permit vehicles to enter or exit.

Section 7. That Section 455.40 of the above-entitled ordinance be amended to read as follows:

455.40. Business district insurance. Upon compliance with all other provisions of this chapter, a permit for a block event in a business district may be granted only after the applicant has filed with the ~~city clerk~~ city council staff a liability insurance policy, or evidence thereof, which policy shall provide coverage in the amount of ~~one three hundred thousand dollars (\$100,000.00)~~ (\$300,000.00) for one claimant and ~~three hundred thousand~~ one million dollars (\$300,000.00) (\$1,000,000.00) for any number of claimants, and shall specifically provide for the payment by the insurance company on behalf of the insureds of all sums which the insureds shall become obligated to pay by reason of liability imposed upon them by law for injuries or damages to persons or properties arising out of the activities and operations of the insureds pursuant to the provisions of this chapter. The applicant and the city shall be named as joint insureds on the liability policy. The amount of any deductible for claims shall be subject to prior approval by city and the applicant will be responsible for payment of claims that would fall within the deductible amount stated in the insurance policy obtained by applicant.

Section 8. That Section 455.41 of the above-entitled ordinance be amended to read as follows:

455.41. Bond. Upon compliance with all the other provisions of this chapter, a permit for a block event in a business district, other than one pursuant to section 455.35(c)(2), may be granted only after the applicant has filed with the ~~city clerk~~ city council staff a cash bond in the sum of five hundred dollars (\$500.00) or a certified check in like amount, conditioned as follows:

(a) The applicant will obey the law in conducting the block event.

(b) The applicant will within the three-hour period immediately following the end of the block event clean up, remove and dispose of all litter or material of any kind which is placed or left on the street because of such block event, and should the applicant fail to do so, the bond shall be forfeited to the city.

(c) The applicant shall, through a bonafide contractor, provide, install and remove the barricades, signs and delineation equipment as directed by the director of public works, and should the applicant fail to do so, the bond shall be forfeited to the city.

If the applicant complies with the above conditions to the satisfaction of the director of public works, the bond shall be returned or balance refunded.

Adopted 6/6/03. Yeas, 11; Nays as follows:

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

Nays - Niziolek.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

T&PW - Your Committee recommends that for 2003 National Night Out block events, the appropriate Public Works staff be directed to arrange for such barricades as may be necessary in conformance with good and safe engineering practice at the lowest cost to the City.

Benson moved that the report be amended by deleting the language " arrange for such barricades as may be necessary in conformance with good and safe engineering practice at the lowest cost to the City" and insert in lieu thereof the following language: "to use the yellow tape method for approved block events unless the Public Works staff notifies the applicant that barricades are required".

Adopted upon a voice vote.

The report, as amended, was adopted 6/6/03.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

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

T&PW & W&M/Budget - Your Committee, having under consideration the Bassett Creek Tunnel/MCES Interceptor Realignment construction for the Heritage Park Project, now recommends that the proper City officers be authorized to execute Change Orders Nos. 3, 4, & 5, increasing Contract No. 17441 with Lametti & Sons Inc. by \$70,807.11 for a new total of \$205,666 to be funded from existing 2003 Storm Tunnel Rehabilitation Funds.

Your Committee further recommends extending the contract completion date from April 30, 2003 to July 31, 2003 to allow final payment.

Adopted 6/6/03.

Absent - Johnson.

T&PW & W&M/Budget - Your Committee recommends that the proper City officers be authorized to enter into an agreement with Anoka County Highway Department to provide turning lanes on East River Road for two entrances to the Minneapolis Water Works facility located in Fridley at a cost not to exceed \$50,000 payable from existing capital funds.

Adopted 6/6/03.

Absent - Johnson

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

Adopted 6/6/03.

Absent - Johnson

Resolution 2003R-261 granting approval of the bids for projects and/or services for the City of Minneapolis, was passed 6/6/03 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 2003R-261
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. (Petrn. No. 268829)

a) OP #6047, only bid by Koch Materials Company for an estimated expenditure of \$1,000,000 for asphalt cement for Public Works Asphalt Plant as needed for through December 31, 2003, contingent on approval of the Civil Rights Department;

b) OP #6068, low bid by Metropolitan Mechanical Contractors, Inc. in the amount of \$125,460 for HVAC system upgrades at Fire Station No. 19, contingent on approval of the Civil Rights Department; and

c) OP #6088, low bid by Kumar Mechanical, Inc. in the amount of \$117,000 for ventilation system addition for Public Works Water Department East Yard, contingent on approval of the Civil Rights Department.

Adopted 6/6/03.

Absent - Johnson

T&PW & W&M/Budget - Your Committee recommends that the proper City officers be authorized to enter into a contract with Deloitte & Touche LLC to provide business-planning services to Public Works Department at an estimated cost not to exceed \$200,000 payable from the existing department budget. The contractor was selected under the State's Request for Proposal (RFP) process so a City RFP is not required.

Adopted 6/6/03. Yeas, 10; Nays, 1 as follows:

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

Nays - Zimmermann.

Declining to Vote - Schiff.

Absent - Johnson

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

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

W&M/Budget - Your Committee recommends passage of the accompanying resolutions approving the 2004 Nicollet Mall Operating Budget, accepting an adjustment to the 2003 budget and appropriating funds based on the revised 2003 budget.

Adopted 6/6/03.

Absent - Johnson.

Resolutions 2003R-262 and 2003R-263 approving the 2004 Nicollet Mall Operating Budget, accepting an adjustment to the 2003 budget and appropriating funds based on the revised 2003 budget, were passed 6/6/03 by the City Council. A complete copy of these resolutions are available for public inspection in the office of the City Clerk.

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

RESOLUTION 2003R-262

By Johnson

Approving the 2004 Nicollet Mall Operating Budget and accepting adjustments to the 2003 Nicollet Mall Operating Budget.

Resolved by The City Council of The City of Minneapolis:

That the estimated cost of improving, operating and maintaining the Nicollet Mall for 2004, an adjustment to the 2003 Appropriation to include unexpended balances from 2002 submitted by the City Engineer in accordance with Subd. 1, Section 430.102, Minnesota Statutes, be approved as follows:

Category 1 -	Amount to be charged against the General Funds of the City	\$69,395
Category 2 -	Amount to be charged against benefited properties in Proportion to benefits	\$1,178,505
Category 3 -	Amount to be specially taxed against properties after Deductions under categories 1 and 2, and rental fees	\$0.00
Rental received from vendors and other use		\$15,201
Total amount required for 2004 improvement, operations and maintenance, prior Years carry forward of unexpended balance and adjusted costs		\$1,263,101

Be It Further Resolved that the City Engineer be directed to prepare an assessment roll setting forth separately the amounts to be specially assessed against the benefited properties, in the district in proportion to the benefits, descriptions of such properties, and the names of the owners of such properties so far as such names are available to the City Engineer, and that the City Engineer confer with the Nicollet Mall Advisory Board in the preparation of such assessment roll.

Adopted 6/6/03.

Absent - Johnson.

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

RESOLUTION 2003R-263

By Johnson

Amending The 2003 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 Streets and Malls - Nicollet Mall Agency in the General Fund (0100-607-6130) by \$372,280.

Adopted 6/6/03.

Absent - Johnson.

The following report was published early, in error on 6/10/03.

W&M/Budget - Your Committee recommends passage of the accompanying resolution approving the terms of a 12-month labor agreement with the American Federation of State, County and Municipal Employees (AFSCME) Local #9 (General Unit).

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-264 approving the terms of a 12-month labor agreement with the American Federation of State, County and Municipal Employees (AFSCME) Local #9 (General Unit), was passed 6/6/03 by the City Council. A complete copy of the 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 2003R-264
By Johnson

Approving the terms of a collective bargaining agreement with AFSCME Local 9 (General Unit) and authorizing execution and implementation of said agreement.

Resolved by The City Council of The City of Minneapolis:

That the executive summary of the collective bargaining agreement between the City of Minneapolis and AFSCME Council 14, Local #9, General Unit (Petn No 268835), be approved.

Be It Further Resolved that the proper City officers be authorized to prepare and execute said collective bargaining agreement consistent with the terms of the executive summary and that the Human Resources Director be authorized to implement the terms and conditions of the collective bargaining agreement upon its execution.

Adopted 6/6/03.

Absent - Johnson.

W&M/Budget - Your Committee recommends that the Human Resources Department be authorized to release a Request for Proposals (RFP) for the purpose of securing competitive proposals from health care providers for employee group health insurance coverage effective January 1, 2004.

Adopted 6/6/03.

Absent - Johnson.

Approved by Acting Mayor Ostrow 6/6/03.

(Published 6/10/03)

W&M/Budget - Your Committee recommends that the City's contract with Bentley Systems Incorporated that relates to implementation of Computer-Aided Civil Engineering Software be amended to extend the contract term through December 31, 2003 and reallocate funding to provide for technical assistance and product changes, to be accomplished with no financial impact to the contract amount.

Adopted 6/6/03.

Absent - Johnson.

W&M/Budget - Your Committee recommends approval to accept funds in the total amount of \$35,000 from Marshall Field's (\$25,000), Time Warner Cable (\$5,000) and Midwest Coca-Cola (\$5,000) to support the *Mosaic - Celebrating the Arts and Cultures of Minneapolis* citywide event.

Your Committee further recommends passage of the accompanying resolution appropriating the donated funds.

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-265 appropriating funds donated by Marshall Field's, Time Warner Cable and Midwest Coca-Cola to support the *Mosaic - Celebrating the Arts and Cultures of Minneapolis* Event, was passed 6/6/03 by the City Council. A complete copy of the 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 2003R-265

By Johnson

Amending The 2003 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 Planning Department Agency in the Grants - Other Fund (0600-380-3860) by \$35,000 and increasing the revenue source (0600-380-3860 - Source 3720) by \$35,000.

Adopted 6/6/03.

Absent - Johnson.

W&M/Budget - Your Committee recommends approval of a new City policy Prohibiting Firearms and Dangerous Weapons in the Workplace (as included in Petn No 268834) and that the previously adopted policy on dangerous weapons be rescinded.

Your Committee further recommends that the appropriate staff be directed to meet and confer with the appropriate labor bargaining units regarding the new policy.

Adopted 6/6/03.

Absent - Johnson.

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

Z&P - Your Committee, having under consideration the application of Lander Sherman Urban Development and Aaron Parker + Associates/Country Home Builders (Ross Fefercorn) for a waiver from Interim Ordinance 2003-Or-025, providing for a moratorium on establishment or expansion of any multiple family residential use within certain recognized boundaries of the Lowry Hill East Neighborhood, to permit site plan and other applications necessary for a multi-family residential development with promenade overlooking the Midtown Greenway, in the vicinity between Aldrich and Bryant Aves and Bryant and Colfax Aves bordering the north edge of the Midtown Greenway and south of 28th St, now recommends that said waiver be approved, and that the findings prepared by the Planning Department be adopted.

Adopted 6/6/03.

Absent - Johnson.

Z&P - Your Committee concurs in the recommendation of the Planning Commission granting the petition of 7-Sigma, Inc (BZZ-1114) to rezone the property at 2816 - 27th Ave S by adding the Industrial Living Overlay District (ILOD) to the existing I1 District to permit a two-family dwelling, and adopting the related findings prepared by the Planning Department.

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

Adopted 6/6/03.

Absent - Johnson.

Ordinance 2003-Or-062, amending Title 20, Chapter 521 of the Minneapolis Code of Ordinances relating to *Zoning Code: Zoning Districts and Maps Generally*, rezoning the property at 2816-27th Ave S by adding the Industrial Living Overlay District to the existing I1 Zoning District, was passed 6/6/03 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 2003-Or-062

By Schiff

1st & 2nd Readings: 6/6/03

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. That part of Lot 5, Block 19, South Side Addition to the City of Minneapolis (2816 - 27th Ave S - Plate 27) to add the Industrial Living Overlay District to the existing I1 District.

Adopted 6/6/03.

Absent - Johnson.

Z&P – Your Committee concurs in the recommendation of the Planning Commission granting the petition of Marcia Cartwright, for HOPE Community (BZZ-1112) to rezone the property at 2000 and 2012 Portland Ave from C1 and R4 to the OR2 District to permit a 41-unit rental apartment building and approximately 4,000 square feet of commercial space (The Jourdain, Phase II), and adopting the related findings prepared by the Planning Department.

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

Adopted 6/6/03.

Absent - Johnson.

Ordinance 2003-Or-063, amending Title 20, Chapter 521 of the Minneapolis Code of Ordinances relating to *Zoning Code: Zoning Districts and Maps Generally*, rezoning the properties at 2000 and 2012 Portland Ave to the OR2 District, was passed 6/6/03 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 2003-Or-063

By Schiff

1st & 2nd Readings: 6/6/03

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. That part of Lot 4, Block 1, Stevens Addition to Minneapolis, Hennepin County, Minnesota (2012 Portland Ave - Plate 20) to the OR2 District; and

B. That part of Lots 1, 2, and 3, Block 1, Stevens Addition to Minneapolis, according to the recorded plat thereof, and situate in Hennepin County, Minnesota (2000 Portland Ave - Plate 20) to the OR2 District.

Adopted 6/6/03.

Absent - Johnson.

Z&P – Your Committee concurs in the recommendation of the Planning Commission granting the petition of Gesco Construction (BZZ-1085) to rezone the property at 2800 and 2806 Bloomington Ave S from C1 and R2B to the R4 District to permit a seven unit cluster development, and adopting the related findings prepared by the Planning Department.

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

Adopted 6/6/03.

Absent - Johnson.

Ordinance 2003-Or-064, amending Title 20, Chapter 521 of the Minneapolis Code of Ordinances relating to *Zoning Code: Zoning Districts and Maps Generally*, rezoning the properties at 2800 and 2806 Bloomington Ave S to the R4 District, was passed 6/6/03 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 2003-Or-064

By Schiff

1st & 2nd Readings: 6/6/03

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. That part of Lot 1 and North 22 feet of Lot 2, Block 1, Merriam and Shaw's Addition to Minneapolis, according to the recorded plat thereof, and situate in Hennepin County, Minnesota; The South 36 feet of Lot 2, The North 10 feet of Lot 3, Block 1, Merriam and Shaw's Addition to Minneapolis, according to the plat thereof, and situate in Hennepin County, Minnesota (2800 and 2806 Bloomington Ave S - Plate 26) to the R4 District.

Adopted 6/6/03.

Absent - Johnson.

Z&P - Your Committee, to whom was referred an ordinance amending Title 20, Chapter 525 of the Minneapolis Code of Ordinances relating to *Zoning Code: Administration and Enforcement*, clarifying the revocation procedure for conditional use permit and site plan review approvals, now concurs in the recommendation of the Planning Commission that the related findings be adopted and that said ordinance be given its second reading for amendment and passage.

Adopted 6/6/03.

Absent - Johnson.

Ordinance 2003-Or-065 amending Title 20, Chapter 525 of the Minneapolis Code of Ordinances relating to *Zoning Code: Administration and Enforcement*, amending Section 525.560 relating to conditional use permit and site plan review revocation, clarifying the revocation procedure, was passed 6/6/03 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 2003-Or-065
By Schiff
Intro & 1st Reading: 2/28/03
Ref to: Z&P
2nd Reading: 6/6/03

Amending Title 20, Chapter 525 of the Minneapolis Code of Ordinances relating to Zoning Code: Administration and Enforcement.

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

Section 1. That Section 525.560 of the above-entitled ordinance be amended to read as follows:

525.560. Conditional use permit and site plan review revocation. (a) *In general.* The director of inspections shall have the authority to recommend revocation of a conditional use permit or site plan review approval to the city council when the director of inspections has determined that the terms of such approval have been violated, subject to section 525.550 above and that the violation has not been corrected following written notice of such violation and a reasonable time period to remedy the violation. Revocation may be used as an alternative or in addition to the procedures provided in section 525.550 above.

(b) *Revocation hearing.* The zoning and planning committee of the city council shall hold a public hearing to determine whether there has been a violation of the conditional use permit or site plan review approval and whether the conditional use permit or site plan review approval shall be revoked. Not less than ten (10) days before such public hearing, the director of inspections shall mail notice of the hearing to any person responsible for such violation, the owner(s) of record of the subject property, all owners of record of property located in whole or in part within three hundred fifty (350) feet of the boundaries of the subject property and the registered neighborhood group(s) for the neighborhood in which the subject property is located. The failure to give mailed notice to individual property owners, or defects in the notice, shall not invalidate the proceedings, provided a bona fide attempt to comply with this section has been made.

Adopted 6/6/03.

Absent - Johnson.

Z&P - Your Committee, to whom was referred an ordinance amending Title 20, Chapter 551 of the Minneapolis Code of Ordinances relating to *Zoning Code: Overlay Districts*, to allow projects of a specific kind and scale to seek a variance for roof signs in a specific district of the City that already has roof signs as an integral part of the district's physical and historical environment, now concurs in the recommendation of the Planning Commission that the related findings be adopted and that said ordinance be given its second reading for amendment and passage.

Adopted 6/6/03.

Absent - Johnson.

Ordinance 2003-Or-066 amending Title 20, Chapter 551 of the Minneapolis Code of Ordinances relating to *Zoning Code: Overlay Districts*, adding a new Section 551.855 relating to on-premise roof signs, was passed 6/6/03 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 2003-Or-066
By Schiff
Intro & 1st Reading: 4/18/03
Ref to: Z&P
2nd Reading: 6/6/03

Amending Title 20, Chapter 551 of the Minneapolis Code of Ordinances relating to Zoning Code: Overlay Districts.

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

Section 1. That Chapter 551 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 551.855 to read as follows:

551.855. Roof signs. Notwithstanding any other provision to the contrary, on-premise roof signs may be allowed on nonresidential, multiple story buildings containing at least one hundred thousand (100,000) square feet of gross floor area located within the area bounded by Tenth Avenue South, Washington Avenue South, Third Avenue South and the Mississippi River, when approved as a sign adjustment pursuant to Chapter 543, On-Premise Signs, and Chapter 525, Administration and Enforcement.

Adopted 6/6/03.

Absent - Johnson.

Z&P - Your Committee concurs in the recommendation of the Planning Commission granting the application of Joe Dowling, for the Guthrie Theater Foundation (#1381), to vacate a portion of the air rights above 2nd St S between Chicago and 9th Aves S, beginning 31 feet above the current level of 2nd St S for an indoor theater, subject to retention of easement rights of Xcel Energy, and to adopt the related findings prepared by the Planning Department.

Your Committee further recommends passage of the accompanying resolution vacating said air rights.

Adopted 6/6/03.

Absent - Johnson.

Resolution 2003R-266, vacating a portion of the air rights above 2nd St S between Chicago Ave S and 9th Ave S, beginning 31 feet above the current level of 2nd St S, was passed 6/6/03 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 2003R-266
By Schiff

Vacating a portion of the air rights above 2nd Street South between Chicago Avenue South and 9th Avenue South, beginning 31 feet above the current level of 2nd Street South.

Resolved by The City Council of The City of Minneapolis:

That all that part of Second Street South, formerly known as Second Street, as dedicated in the plat of Town of Minneapolis, according to the recorded plat thereof and situated in Hennepin County, Minnesota, lying above an elevation of 855.50 feet (N.G.VD.-1929) described as follows:

Commencing at the most easterly corner of Block 97, said Town of Minneapolis; thence on an assumed bearing of North 59 Degrees 10 Minutes 29 Seconds West, along the southwesterly line of said Second Street, a distance of 63.50 feet, to the point of beginning of the parcel to be described; thence North 30 Degrees 49 Minutes 31 Seconds East, a distance of 80.00 feet, to the northeasterly line of said Second Street; thence North 59 Degrees 10 Minutes 29 Seconds West, along the

northeasterly line of said Second Street, a distance of 114.00 feet; thence South 30 Degrees 49 Minutes 31 Seconds West, a distance of 80.00 feet, to the southwesterly line of said Second Street; thence South 59 Degrees 10 Minutes 29 Seconds East, along said southwesterly line of Second Street, a distance of 114.00 feet to the point of beginning is hereby vacated except that such vacation shall not affect the existing easement right and authority of Xcel Energy their successors and assigns, to enter upon that portion of the aforescribed air rights which is described in regard to said corporation as follows, to wit:

As to Xcel Energy: An easement that begins 31 feet above the current level of Second Street South for the South half of Second Street South, lying between the easterly line of Chicago Avenue South and the westerly line of Ninth Avenue South,

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 easement 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 6/6/03.

Absent - Johnson.

MOTIONS

Zerby moved to waive the 14-day filing time as required by Chapter 455 of the Minneapolis Code of Ordinances for applicant Debra Clark for a residential block event held May 30, 2003, between the hours of 5:00 p.m. and 9:00 p.m. on Malcolm Avenue Southeast between Sidney Place and Orlin Avenue Southeast. Seconded.

Adopted 6/6/03.

Absent - Johnson.

Samuels moved to waive the 14-day filing time as required by Chapter 455 of the Minneapolis Code of Ordinances for applicant Pope John Paul II Catholic School for a residential block event held May 20, 2003, between the hours of 4:15 p.m. and 8:00 p.m. at 1630 4th Street Northeast. Seconded.

Adopted 6/6/03.

Absent - Johnson.

Lane moved to waive the 14-day filing time as required by Chapter 455 of the Minneapolis Code of Ordinances for applicant John L. Bonnes for a residential block event held May 30, 2003, between the hours of 7:00 p.m. and 9:00 p.m. on Fremont Avenue South between 53rd and 54th Streets West. Seconded.

Adopted 6/6/03.

Absent - Johnson.

Lilligren moved to waive the event starting time (Weekdays-6PM to 10:30PM) as required by Chapter 455 of the Minneapolis Code of Ordinances for applicant Pablo for Intermedia Arts for a business district block event to be held July 4, 2003, between the hours of 10:00 a.m. and 7:00 p.m. on 5th Avenue South between Lake and 28th Streets East, subject to approval being granted by the Police Department to grant said waiver. Seconded.

Adopted 6/6/03. Seconded.

Absent - Johnson.

Zerby moved to waive the event starting time (Weekdays-6PM to 10:30PM) as required by Chapter 455 of the Minneapolis Code of Ordinances for applicant Minneapolis Riverfront Arts & Events Committee, Inc. for a business district block event to be held July 4, 2003, between the hours of 10:00 a.m. and 10:00 p.m. on Main Street Southeast between 3rd and 6th Avenues Southeast, subject to approval being granted by the Police Department to grant said waiver. Seconded.

Adopted 6/6/03.

Absent - Johnson.

Niziolek introduced the subject matter of an Ordinance amending Title 13, Chapter 268 of the Minneapolis Code of Ordinances relating to *Licenses and Business Regulations: Lawful Gambling*, which was given its first reading and referred to the Public Safety & Regulatory Services Committee (Amending by deleting site lease payment options no longer authorized under State Statute and clarifying certain data reporting processes and requirements).

RESOLUTION

Ostrow, Zerby, Samuels, Johnson, Johnson Lee, Zimmermann, Goodman, Lilligren, Schiff, Niziolek, Benson, Colvin Roy and Lane offered a Resolution recognizing the contributions of Michael T. Norton to the City of Minneapolis.

Adopted 6/6/03.

Absent - Johnson.

(Not published. See Resolution 2003R-267 on file in the office of the City Clerk.)

The following is the complete text of the unpublished resolution.

RESOLUTION 2003R-267

By Ostrow, Zerby, Samuels, Johnson, Johnson Lee, Zimmermann, Goodman, Lilligren, Schiff, Niziolek, Benson, Colvin Roy and Lane

Recognizing the contributions of Michael T. Norton to the City of Minneapolis.

Whereas, Michael T. Norton joined the Minneapolis City Attorney's Office in December 1980; and
Whereas, Michael T. Norton has served the City as a criminal prosecutor, a civil litigator, Deputy City Attorney for the Civil Division, and Acting City Attorney; and

Whereas, Michael T. Norton's municipal law expertise is widely respected by his clients and adversaries; and

Whereas, Michael T. Norton has served three Mayors and forty-five City Council Members; and

Whereas, these Mayors and City Council Members relied on Michael T. Norton for his helpful counsel and advice; and

Whereas, Michael T. Norton is well-known for his Irish wit and Boston charm; and

Whereas, Michael T. Norton will be deeply missed by both the City's elected officials and his City colleagues; and

Whereas, Michael T. Norton has decided to replace the demands of City Hall with the challenges of private law practice; and

Whereas, the City Council wishes to recognize Michael T. Norton's dedication and contributions to the City of Minneapolis throughout his career;

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

That the City Council expresses its deep gratitude and appreciation to Michael T. Norton for his many years of dedicated service as a member of the Minneapolis City Attorney's Office.

Adopted 6/6/03.

Absent - Johnson.

UNFINISHED BUSINESS

T&PW & W&M/Budget - Your Committee recommends that proper City officers be authorized to enter into a contract with the City of Hutchinson for the composting/disposal of Fall Street-collected leaves, seasonal yard wastes, and bundled brush, for a period from May, 2003 through December, 2007 at a cost based on the rate of \$15.97 per ton.

T&PW - Approval of staff recommendation.

W&M/Budget - Forwarded without recommendation and approval of staff directions: a) to include language in the contract requiring that if the City of Hutchinson requests an amendment relative to costs, the contract will go to a request for proposals process; and b) that the City of Hutchinson be requested to work with NRG on the possibility of hiring employees currently working with City yard waste.

Council Actions of May 2, 2003:

Postponed for two City Council cycles.

Direction that the proper City officers negotiate an extension to the contract with NRG Processing Solutions for the period necessary due to a two-cycle delay.

Direction to staff to negotiate with the City of Hutchinson for a one-year opt out provision.

Zimmermann moved that the report be amended to approve the Transportation & Public Works Committee recommendation along with the Ways & Means/Budget Committee staff directions. Seconded.

Adopted upon a voice vote.

Benson moved that the report be amended by adding the following language after 2003, “, or as soon as possible” and to delete the language “rate of \$15.97 per ton” and inserting in lieu thereof the language “staff recommendation”. Seconded.

Adopted upon a voice vote.

The report, as amended, was adopted 6/6/03.

Declining to vote - Colvin Roy.

Absent - Johnson.

NEW BUSINESS

RESOLUTION 2003R-268

By Niziolek

Approving acceptance of gifts of airline tickets and accommodations for City staff travelling to Philadelphia to observe Nuisance Court.

Whereas, the City Council and Mayor have directed staff to evaluate the potential for establishment of a “Nuisance Court” to address livability offenses occurring in the City of Minneapolis; and

Whereas, the City of Philadelphia operates a Nuisance Court which is a model for the program that the City is considering; and

Whereas, it would assist City staff and officials in their evaluation of such a court to observe the Philadelphia court operations; and

Whereas, the Police Department has identified two staff members, a police officer and a civilian crime prevention specialist, whose assignment to evaluate the Nuisance Court proposal will be assisted through observation of the Philadelphia court; and

Whereas, the Downtown Council would like to make a gift to the City to provide airline tickets, hotel accommodations and additional travel-related expenses for City staff to travel to Philadelphia for the purpose of observing the Nuisance Court and related programs of the Philadelphia court system; and

Whereas, Minnesota Statutes, Section 465.03, requires that acceptance of gifts by the City “be made by resolution of the governing body adopted by two-thirds majority of its members, expressing such terms in full”;

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

That contributions of airline tickets, hotel accommodations, and travel expenses from the Downtown Council valued at approximately \$1,300 to be used by two Police Department employees for purposes of observing the Philadelphia Nuisance Court be accepted as gifts on behalf of the City.

Adopted 6/6/03.

Yeas, 10; Nays, 2 as follows:

Yeas - Samuels, Colvin Roy, Zimmermann, Zerby, Lilligren, Johnson Lee, Niziolek, Goodman, Lane, Ostrow.

Nays - Schiff, Benson.

Absent - Johnson.

Benson and Goodman offered Ordinances amending Titles 10, 13, and 14 of the Minneapolis Code of Ordinances amending the following:

- a) Chapter 188 relating to *Food Code: Administration and Licensing*;
- b) Chapter 267 relating to *Licenses and Business Regulations: Amusements*;
- c) Chapter 360 relating to *Liquor and Beer: In General*;
- b) Chapter 363 relating to *Liquor and Beer: Wine Licenses*;
- c) Chapter 364 relating to *Liquor and Beer: Liquor Regulations*; and
- d) Chapter 368 relating to *Liquor and Beer: Beer Regulations*,

which were given their first reading and referred to the Public Safety & Regulatory Services Committee (To extend hours of operation for on-sale liquor establishments).

Ostrow recessed the City Council meeting at 10:45 a.m. for the purpose of holding the Minneapolis Community Development Agency Board of Commissioners meeting prior to the presentation by Patrick Born, Finance Director.

The meeting reconvened at 10:47 a.m.

President Ostrow in the Chair.

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

Absent - Johnson.

Patrick Born, Finance Director, provided an oral presentation on the Common Project Resources.

By unanimous consent, the meeting was adjourned to Room 315 City Hall to consider the following lawsuits.

- a) Williams v. City of Minneapolis
- b) Yeazizw v. City of Minneapolis
- c) Veron Mayo v. City of Minneapolis, et. al.
- d) Hmong Tojsiab Auto Sales Corp et al. v. City of Minneapolis
- e) Casandra Floyd v. City of Minneapolis et al., U.S. District Court File No. 01-1041

Room 315 City Hall

Minneapolis, Minnesota

June 6, 2003 - 11:35 a.m.

The Council met pursuant to adjournment.

President Ostrow in the Chair.

Present - Samuels, Colvin Roy (In at 11:59), Zimmermann (In at 12:05, Out at 14:14, In at 12:25), Schiff, Zerby (In at 11:57), Lilligren, Johnson Lee (In at 11:59), Niziolek, Benson, Goodman, Lane, Ostrow.

Absent - Johnson.

Also present - Jay Heffern, City Attorney; Peter Ginder, Acting Deputy City Attorney; Carol Lansing, Jim Moore, Tim Skarda, Assistant City Attorneys; Chuck Ballentine, Director, Planning Department; Jim Voll, Planning Department; Lucy Gerold, Police Department; Keefe, City Clerk; Jan Hrcncir, City Clerk's Office.

Jay Heffern stated that the meeting may be closed for the purpose of discussing attorney-client privileged matters involving the following lawsuits:

- a) *Williams vs. City of Minneapolis*
- b) *Yeazizw vs. City of Minneapolis*
- c) *Veron Mayo vs. City of Minneapolis, et. al.*
- d) *Hmong Tojsiab Auto Sales Corp et al. vs. City of Minneapolis*
- e) *Casandra Floyd vs. City of Minneapolis et al., U.S. Distrcit Court File No. 01-1041*

Lilligren moved that the meeting be closed for the purpose of consideration of the above lawsuits pursuant to the City Attorney's statement. Seconded.

Adopted upon a voice vote.

The meeting was closed at 11:55 a.m.

Carol Lansing summarized the *Hmong Tojsiab Auto Sales Corp, et al. vs. City of Minneapolis* lawsuit from 11:55 a.m. to 12:13 p.m.

Jim Moore summarized the *Casandra Floyd vs. City of Minneapolis et al.,* lawsuit from 12:13 to 12:37 p.m.

Jim Moore summarized the *Yeazizw vs. City of Minneapolis* lawsuit from 12:37 to 12:48 p.m.

Jim Moore summarized the *Williams vs. City of Minneapolis* lawsuit from 12:48 to 12:55 p.m.

Jim Moore summarized the *Veron Mayo vs. City of Minneapolis, et. al.* lawsuit from 12:55 to 1:02 p.m.

The closed portion of the meeting was tape recorded with the tape on file in the office of the City Clerk.

Lane moved that the meeting be opened for the purpose of taking actions relating to the above lawsuits. Seconded.

Adopted upon a voice vote.

Lane moved that the City Attorney be authorized to settle the lawsuit entitled *Williams vs. City of Minneapolis*, United States District Court File No. 02-CV-1748 PAM/JSM, in the amount of \$7,000.00. Said payment shall be made to Linsette Rene Williams, Antione Delaney Williams and their attorney, Albert Goins, and is payable from Fund/Org 690 150 1500 4000. The City Attorney's office is authorized to execute any documents necessary to finalize this settlement. Seconded.

Adopted 6/6/03. Yeas, 11; Nays, 1 as follows:

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

Nays - Niziolek.

Absent - Johnson.

Lane moved that the City Attorney be authorized to settle the lawsuit entitled *Yeazizw vs. City of Minneapolis, et al.,* United States District Court File No. 02-709 DWF/AJB by payment in the amount of \$5,000.00 and agreement to non-monetary relief as follows:

- The City will create a document that will be shared with businesses that hire off-duty police officers describing the City's policies for off-duty employment;
- The City will require that police officers working off-duty get the businesses to acknowledge receipt of the policy document;
- The City will continue to conduct annual review of off-duty employment applications; and
- The City will provide, in the 2004 in-service training cycle, training for police officers on the issue of independent investigation of complaints to police officers by citizens on the street.

The settlement check shall be made to Mebrat Belay Yeazizw and her attorneys, Jill Waite and Jill Clark, and is payable from Fund/Org. 690 150 1500 4000. The City Attorney's office is authorized to execute any documents necessary to finalize the settlement. Seconded. Created: 6/10/2003

Adopted 6/6/03. Yeas, 11; Nays, 1 as follows:

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

Nays - Niziolek.

Absent - Johnson.

Lane moved that the City Attorney be authorized to settle the lawsuit entitled *Mayo vs. City of Minneapolis, et al.*, United States District Court File No. 00-1995 MJD/JGL in the amount of \$5,000.00. Said payment shall be made to Vernon Lemar Mayo and his attorney, Albert Goins, and is payable from Fund/Org. 690 150 1500 4000. The City Attorney's office is authorized to execute any documents necessary to finalize this settlement. Seconded.

Adopted 6/6/03. Yeas, 11; Nays, 1 as follows:

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

Nays - Niziolek.

Absent - Johnson.

Lane moved that the City Attorney be authorized to settle the lawsuit entitled *Floyd vs. City of Minneapolis, et al.*, United States District Court File No. 01-1041 MJD/SRN in the amount of \$30,000.00. Said payment shall be made to Cassandra Floyd and her attorney, Kenneth Udiobok, and is payable from Fund/Org. 690 150 1500 4000. The City Attorney's office is authorized to execute any documents necessary to finalize this settlement. Seconded.

Adopted 6/6/03. Yeas, 11; Nays, 1 as follows:

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

Nays - Niziolek.

Absent - Johnson.

Johnson Lee moved that the meeting be adjourned at 1:05 p.m. Seconded.

Adopted upon a voice vote.

Merry Keefe,
City Clerk.

Created: 6/10/2003;
Modified: 6/12/2003;
Corrected: 6/23/2003;
8/21/2003;
11/12/2003