



**Request for City Council Committee Action
From the City Attorney's Office**

Date: January 6, 2005
To: Ways & Means/Budget Committee
Referral to:

Subject: Waiver of conflict of interest for Common Bond Fund counsel

Recommendation: That the City Council waive any conflict of interest that the law firm of Gray, Plant, Mooty, the City's Common Bond Fund counsel, may have regarding Common Bond Fund financing involving the Greenheck Fan Corporation and consent to its acting as the City's bond counsel in this transaction.

Previous Directives:

Prepared by: Peter W. Ginder, Deputy City Attorney Phone: 673-2478

Approved by: _____
Jay M. Heffern
City Attorney

Presenter in Committee: Jay M. Heffern, City Attorney

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact:

- Neighborhood Notification
- City Goals:
- Comprehensive Plan
- Zoning Code
- Other

Background/Supporting Information

The Gray, Plant, Mooty law firm (the "Firm") currently acts as bond counsel to the City of Minneapolis with respect to Common Bond Fund (CBF) transactions. During the course of meetings involving CBF representatives it appears that there is likely to be CBF financing involving the purchase by Greenheck Fan

Corporation, a Wisconsin corporation, of a manufacturing facility located at 2801 Pacific Street. Greenheck and the seller, William Steel and Hardware, have already negotiated a purchase agreement involving the building.

For the last several years, the Firm has represented Greenheck on a continuing basis, primarily with the respect to the creation and maintenance of the Employee Stock Option Plan that now owns the company. The Firm expects to continue this representation in the future. The Firm has also represented the seller, William Steel and Hardware, for a significant period of time. In the negotiation of the purchase transaction, the Firm represented William Steel and Hardware and referred Greenheck to the Briggs and Morgan law firm, which represented Greenheck.

John R. Green of the Firm has represented to this Office that its representation of Greenheck on unrelated matters will not adversely affect in any sense its faithful bond counsel representation of the City in the proposed transaction. Greenheck will be represented by a separate law firm, currently expected to be Briggs and Morgan, on the proposed financing transaction. Mr. Green has requested that the City consent to his Firm's representation of the City as its bond counsel on this transaction. This Office has reviewed the matter, and based on Mr. Green's representations recommends that the City waive any conflict that may exist within the meaning of the Rules of Professional Responsibility and consent to Gray, Plant, Mooty acting as our bond counsel on this transaction.