

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman and Ostrow

**Approving Modification No 1 to the Housing Replacement District Plan and
Modification No 1 to the Housing Replacement District II Plan.**

Resolved by the City Council of the City of Minneapolis:

Section 1. Recitals

1.1. Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City"), acting by and through its department of Community Planning and Economic Development, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws").

1.2. Laws of Minnesota 1995, Chapter 264, Article 5, Sections 44 through 47, as amended by Minnesota Session Laws 1996, Chapter 471, Article 7; Minnesota Session Laws 1997, Chapter 231, Article 10; Minnesota Session Laws 2002, Chapter 377, Article 7; Minnesota Session Laws 2008, Chapter 154, Article 9; and Minnesota Session Laws 2008, Chapter 366, Article 5 (collectively, the "Special Legislation") authorizes the City to establish housing replacement tax increment financing districts.

1.3. By Resolution 95R-397 duly adopted December 29, 1995 and Resolution 2008R-275 duly adopted July 11, 2008, the City approved the Special Legislation.

1.4. By Resolution 96R-210 duly adopted August 9, 1996, the City approved the Housing Replacement District Plan and by Resolution 2003R-386 duly adopted August 22, 2003, the City approved the Housing Replacement District II Plan (collectively, the "Plans"), thereby creating a Housing Replacement Tax Increment Financing District and Housing Replacement Tax Increment Financing District II (collectively, the "Districts").

1.5. It has been proposed and the City has caused to be prepared, and this Council has investigated the facts with respect to, Modification No 1 to the Housing Replacement District Plan and Modification No 1 to the Housing Replacement District II Plan (collectively, the "Modifications"). The Modifications authorize the City to use tax increment revenues derived from any of its housing replacement districts to pay or reimburse the City's costs for acquisition and preparation of parcels located outside the districts, provided the parcels are vacant or contain a vacant or substandard house and are developed or redeveloped as market rate housing, all pursuant to and in accordance with the Project Laws and the Special Legislation.

Section 2. Findings

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

2.2. The Council further finds, determines and declares that the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

2.3. The Council further finds, determines and declares that the Modifications conform to the general plan for the development or redevelopment of the city as a whole.

2.4. The Council further finds, determines and declares that the Modifications will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the redevelopment of market rate housing by private enterprise.

2.5. The Council further finds, determines and declares that as permitted by the Special Legislation, revenues from the District may be made available for activities eligible under the Plan related to parcels not in the District, but which would qualify for inclusion under the Special Legislation.

2.6. The Council hereby finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Modifications.

Section 3. Approval of the Modifications

3.1. Based upon the findings set forth in Section 2 hereof, the Modifications presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Modifications

4.1. After passage and publication of this Resolution, the officers and staff of the City and the City's consultants and counsel are authorized and directed to proceed with the implementation of the Modifications, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.

4.2. As provided under Minnesota Statutes, Section 469.1781, Subdivision 7, this Council hereby authorizes the advance of revenues from other available development revenues of the City in the principal amount needed to offset any negative fund balances incurred with respect to these Districts as a result of expenditures incurred prior to or in excess of the collection of tax increment revenue. The interest rate paid on such advances shall be equal to the rate of interest those revenues would have generated in their fund. The term of this advance shall end upon the termination of the Districts, although as revenues are available in the fund for the Districts, the advance shall be offset by such amounts.