

Authorizing the issuance of a tax increment limited revenue note in a principal amount not to exceed \$1,085,597.19 in connection with the Graco Campus Expansion Tax Increment Financing District.

Whereas, the City Council, exercising powers granted by Minnesota Laws 2003, Chapter 127, Article 12, Sections 31-34, adopted Chapter 415, Minneapolis Code of Ordinances, establishing the Department of Community Planning and Economic Development (“CPED”); and

Whereas, CPED (through its predecessor, the Minneapolis Community Development Agency) and the Department of Finance have prepared the Graco Campus Expansion Redevelopment Plan, dated July 14, 2000 (the “Redevelopment Plan”) and the Graco Campus Expansion Tax Increment Finance Plan, dated July 14, 2000 (the “TIF Plan”); and

Whereas, pursuant to Resolution No. 2000R-372 adopted by the City Council of the City of Minneapolis (the “City”) on August 14, 2000, the City established the Graco Campus Expansion Redevelopment Project (the “Redevelopment Project”) and the Graco Campus Expansion Tax Increment Financing District (the “TIF District”); and

Whereas, the Redevelopment Project is established pursuant to the authority granted to the City by Minnesota Statutes, Sections 469.001 through 469.047 and the TIF District is established pursuant to the authority granted to the City in Minnesota Statutes, Section 469.174 through Section 469.179, as amended; and

Whereas, pursuant to Resolution No. 2000R-372, the City Council of the City of Minneapolis approved the Redevelopment Plan and the TIF Plan; and

Whereas, in order to provide for the redevelopment of real property located in the Redevelopment Project and the TIF District, the City had entered into a redevelopment contract (the “Graco Redevelopment Contract”) with Graco, Inc. (“Graco”) which provided for Graco to develop and construct parking and improvements on the real property located in the Redevelopment Project and the TIF District; and

Whereas, the City (acting through the Minneapolis Community Development Agency) and Graco did enter into the Graco Redevelopment Contract on August 18, 2000 which Graco Redevelopment Contract was amended on December 30, 2004; and

Whereas, under the terms of the Graco Redevelopment Contract, the City has previously issued the Graco Phase One Limited Revenue Tax Increment Note and has originated a Loan to the Redevelopment Project for sewer relocation (the "Previous Encumbrances"); and

Whereas, the Previous Encumbrances have a priority and superior claim to the tax increment revenue as provided in Section 3.05(a) of the Graco Redevelopment Contract; and

Whereas, pursuant to Minnesota Statutes, Section 469.174 through Section 469.179, as amended (the "TIF Act"), the City is authorized to issue its bonds or notes for the purpose of financing public redevelopment costs in a redevelopment project and to pledge tax increment revenues derived from a tax increment financing district established within the redevelopment project to the payment of the principal of and interest on said bonds, notes or obligations.

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

That the City Council hereby authorizes the issuance of a tax increment revenue note to be designated as the "Limited Revenue Taxable Tax Increment Note (Graco Campus Expansion Phase Two), Series 2006" (the "Note") in the principal amount not to exceed \$1,085,597.19.

Be It Further Resolved that the form of Note attached hereto is hereby approved and shall be executed by the Finance Officer in substantially the form attached and with such changes thereto not inconsistent with law.

Be It Further Resolved that the Note may be issued on such date at an interest rate of four and one-half percent (4.5%) per annum simple interest and upon such other terms and conditions determined by the Finance Officer.

Be It Further Resolved that the issuance of the Note to Graco is effective without any additional action of the City Council and shall be undertaken by the Finance Officer in the amount indicated in the Note and at the rate of interest stated herein and upon such other terms and conditions deemed reasonable by the Finance Officer.

Be It Further Resolved that there shall be prepared, executed and delivered in conjunction with the issuance of the Note, in the discretion of the Finance Officer, the following documents: (i) the Note; (ii) an estimate of the amount of tax increment revenue that may be pledged to the Note relative to the Previous Encumbrances; and, (iii) such other instruments or documents deemed necessary or appropriate by the Finance Officer with respect to the issuance of or security for the Note.

Be It Further Resolved that the issuance and delivery of the Note by the City shall be conclusive evidence that the Finance Officer has approved the terms and provisions of the Note in accordance with the authority granted in this Resolution.

Be It Further Resolved that no provision, covenant or agreement contained in the Note or in any other document related to the Note, 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 tax increment revenues that are to be applied to the payment of the Note, as provided therein and in the Graco Redevelopment Contract. The Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenue pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the Note shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Note or the interest thereon, or to enforce payment thereon against any property of the City. The Note shall not constitute a payment thereon against any property of the City. The Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

Be It Further Resolved that the Note, when executed and delivered shall contain a recital that it is issued pursuant to the TIF Act, and such recital shall be conclusive evidence of the validity of the Note 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 the resolution, to the issuance of the Note 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 Note 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 except as herein otherwise expressly provided, nothing in this resolution, the Note, or the Graco Redevelopment Contract, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the City and Graco any right, remedy or claim, legal or equitable, under any law by reason of this resolution or any provision hereof, or of the Note and the Graco Redevelopment Contract and all of their provisions being intended to be and being for the sole and exclusive benefit of the City and Graco.

Be It Further Resolved that in case any one or more of the provisions of this resolution, the Note, or the Graco Redevelopment Contract shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this resolution, the Note, or the Graco Redevelopment Contract.

Be It Further Resolved that this resolution shall be in full force and effect from and after its passage.