

**RESOLUTION 2010R-\_\_\_**

**Authorizing the redemption and prepayment of the outstanding General Obligation Various Purpose Bonds, Series 2002A, from payments to be made by Hennepin County.**

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

1. The City of Minneapolis (the "City") has previously issued its General Obligation Various Purpose Bonds, Series 2002A, dated as of December 19, 2002 (the "Series 2002A Bonds"), in part to finance construction of the Central Library parking ramp facility (the "Parking Ramp"). Pursuant to that certain Financing and Grant Agreement Regarding Library Consolidation, dated as of December 31, 2007 (the "Library Consolidation Agreement"), by and between Hennepin County (the "County") and the City, and pursuant to Minnesota Laws 2007, Chapter 121, the City transferred to the County certain library improvements within the County, including the Parking Ramp, and the County assumed the obligation to make payments to the City in amounts equal to the principal of and interest on the portion of the Series 2002A Bonds that financed the Parking Ramp (the "City Ramp Bonds"). Pursuant to the terms of the Library Consolidation Agreement, the City has agreed to cooperate with the County in refunding or defeasing the outstanding City Ramp Bonds.

2. Pursuant to authority granted by Minnesota Statutes, Section 383B.245, and Minnesota Statutes, Chapter 475, and pursuant to the terms of the Library Consolidation Agreement, the Board of Commissioners of the County proposes to issue and sell General Obligation Library Refunding Bonds, Series 2010A (the "County Bonds"), contingent upon favorable market conditions, in a principal amount sufficient to prepay its obligation to make payments to the City equal to the principal of and interest on the City Ramp Bonds; provided that the City will apply such prepayment to refund in advance of maturity the outstanding maturities of the City Ramp Bonds. The County Bonds shall not constitute an indebtedness of the City or a charge against the credit or taxing powers of the City.

3. The City proposes to accept prepayment of the County's obligation to make payments to the City equal to principal of and interest on the City Ramp Bonds and to apply such prepayment to refund in advance of maturity the outstanding maturities of the City Ramp Bonds.

4. The City Council hereby finds and determines as follows:

- (a) The City Ramp Bonds were issued in the original aggregate principal amount of \$10,100,000, pursuant to authority granted by the City Charter and Minnesota Statutes, Chapter 475, as amended, to finance the Parking Ramp.
- (b) The outstanding City Ramp Bonds maturing or subject to mandatory redemption on December 1 in the following years and amounts are subject to redemption at the option of the City on December 1, 2010, and any date thereafter:

<u>Year</u>	<u>Principal Amount</u>
2010	\$ 150,000
2011	180,000
2012	205,000
2013	235,000
2014	265,000
2015	305,000
2016	340,000
2017	380,000
2018	425,000
2019	470,000
2020	520,000
2021	575,000
2022	630,000
2023	685,000
2024	750,000
2025	820,000
2026	900,000
2027	975,000
2028	1,050,000

5. In accordance with Minnesota Statutes, Section 475.67, upon sale and issuance of the County Bonds, the County will transfer proceeds of the County Bonds, together with other available funds of the County, if necessary (collectively, the "County Payment"), to the City, and the City will apply the County Payment pursuant to the terms of an Escrow Agreement, dated on or after April 1, 2010 (the "Escrow Agreement"), between the City, the County, and an escrow agent selected by the City and acceptable to the County (the "Escrow Agent"). Amounts available under the Escrow Agreement will be sufficient to pay interest on the City Ramp Bonds on June 1, 2010, and on December 1, 2010, and to redeem the outstanding principal amount of the City Ramp Bonds on December 1, 2010, at par.

6. The Finance Officer of the City is hereby authorized to execute the Escrow Agreement in substantially the form now on file with the Finance Officer, with such changes as shall be approved by the Finance Officer, which approval shall be conclusively evidenced by the execution thereof by the Finance Officer. Securities purchased from the County Payment deposited in the Escrow Fund established by the terms of the Escrow Agreement (the "Escrow Fund") shall be limited to securities specified in Minnesota Statutes, Section 475.67, Subdivision 8. Securities purchased for the Escrow Fund shall be purchased simultaneously with the delivery of and payment for the County Bonds and the transfer to the Escrow Agent of the County Payment in accordance with the terms of the Escrow Agreement.

7. When the County Bonds are issued to refund the City Ramp Bonds and the County Payment has been delivered to the Escrow Agent, the City shall mail a notice of redemption of the City Ramp Bonds by first class mail to the registered owner of the City Ramp Bonds in accordance with the terms of the City Ramp Bonds, the Library Consolidation Agreement, the Escrow Agreement, and the Financing Agreement (as hereinafter defined), and the City Ramp Bonds shall be redeemed and prepaid on December 1, 2010. Computations evidencing compliance with the arbitrage and rebate requirements of Section 148 of the Internal Revenue Code of 1986, as amended (other than the verification of both the sufficiency of the investments deposited in the Escrow Fund and the yield of such investments), shall be undertaken in a timely manner by the Finance Officer and the results of such computations shall be provided to the County.

8. The Finance Officer of the City is hereby authorized to execute the Agreement Relating to Financing and Grant Agreement Regarding Library Consolidation, dated on or after March 1, 2010 (the "Financing Agreement"), between the County and the City. The Financing Agreement shall be executed and delivered prior to the sale of the County Bonds in substantially the form now on file with the Finance Officer, with such changes as shall be approved by the Finance Officer, which approval shall be conclusively evidenced by the execution thereof by the Finance Officer. The Finance Officer is hereby authorized and directed to take all necessary actions to cause the City Ramp Bonds to be redeemed and prepaid on December 1, 2010, including the execution and delivery of any amendment to the Library Consolidation Agreement determined by the County and the City to be necessary or desirable, and such other actions as may be required to effectuate the terms and intent of this Resolution.