

Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: May 6, 2008

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Public Hearing and Request for Final Approval of Up to \$3,300,000 in Tax Exempt Multi-Family Housing Entitlement Revenue Bonds

Recommendation: It is recommended that the City Council adopt the attached Resolution Giving Final Approval of up to \$3,300,000 in Tax Exempt Multi-family Rental Housing Entitlement Revenue Bonds for the Blue Goose Apartments and Family Tree Cooperative.

Previous Directives: In October 1985, the City Council authorized acquisition of certain parcels in the Cedar Riverside Urban Renewal Area and Issuance of a Tax Increment Revenue Note. In October 1987, the City Council authorized the closing of 19th Avenue South and 26th Street and approval of expenditures of up to \$400,000 from the Cedar Riverside T.I. Fund for improvements. In October 1989, the City Council approved several loans and public costs for the West Bank VIII Parcel B project. These included vacation of 19th Avenue between 5th and 6th Streets. In June 1991, the City Council approved \$50,000 for site improvements for West Bank VIII, Parcel B and an appropriation increase to Fund BJ-Cedar Riverside Tax Increment Fund. In January 2007, the City Council gave Preliminary Approval of up to \$3,300,000 of Entitlement Housing Revenue Bonds to Blue Goose Apartments. In April 2008 the City Council approved \$199,950 of 2007 AHTF Pipeline Funds for The Blue Goose Apartments Project.

Prepared by: Dollie Crowther, Multi-family Housing, 673-5263
Approved by: Tom Streitz, Director for Housing Policy and Development_____
Presenter in Committee: Dollie Crowther

Reviews

Permanent Review Committee (PRC): Approval ___ Date _____
Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

Project will generate semi-annual administrative fees.

Community Impact

Neighborhood Notification – The West Bank Community Coalition approved the proposal presented for the Blue Goose Apartments on October 18, 2006.

City Goals: In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit

from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Sustainability Targets: Affordable housing preservation.

Comprehensive Plan: 4.10 Minneapolis will increase its housing that is affordable to low and moderate income households. 4.9.1 Minneapolis will grow by increasing its supply of housing. 4.15 Minneapolis will carefully identify project sites where housing redevelopment and/or housing revitalization are the appropriate responses to neighborhood conditions and market demand.

Zoning Code: Project Complies

Living Wage/Business Subsidy Agreement Yes _____ No X

Job Linkage Yes _____ No X

Other: Not applicable.

Supporting Information

Blue Goose Apartments is a 30-unit affordable housing project located at 1819 and 1825 South 5th Street. It was developed by the West Bank Community Development Corporation and Brighton Development Corporation (BDC) in 1990. BDC has since transferred their interest to the West Bank CHC. Blue Goose was originally financed with tax increment, MCDA loans and low income housing tax credits. It included rehabilitation of all major systems, new roofs, bathrooms, kitchens, etc. It contains a land lease that reverts to The West Bank CHC in 2041.

The Family Tree Cooperative is a leasehold cooperative developed in 1991 by The West Bank Community Development Corporation. It represents eight units (two single family homes, four apartment units and a three bedroom duplex) at several locations on Sixth Street and 26th Avenues in Cedar Riverside. This project consisted of rehabilitation and new construction of four child care units. The project was originally financed with tax increment funds, tax credits and other private loans. The coop also contains a 50 year land lease that reverts back to West Bank CHC in 2041. As part of the development of the Family Tree Coop, the neighborhood was active in the creation of four homes with additions used exclusively for day care. Each day care tenant is required to be a licensed day care provider and is required to offer long term commitments to provide affordable day care services to the neighborhood. This concept has been very successful.

Rehabilitation of Blue Goose and Family Tree will not result in the displacement of the existing tenants or a change in the target population. The anticipated work includes exterior repair of stucco and siding, roof repair, kitchen and bathroom repair/replacement, window repair, repair heat and hot water systems, repair drainage problems, and major porch repair. Many units will require replacement of obsolete

appliances. The project will adhere to the affordable housing policy requirement that 20% of the units will be affordable at 50% of area median income.

Financial Summary

The total development cost of the Blue Goose Apartments and Family Tree Coop is \$4,958,761.00. The project sources and uses are outlined on the attached Project Data Worksheet.

The Blue Goose Apartments received loans from the MCDA totaling \$1,359,442 (with accrued interest). This loan was similar to other MCDA loans; 1% simple interest per annum with a 40 year term due in 2029. The West Bank Blue Goose Limited Partnership would like to acquire the existing buildings, restructure the present debt with CPED and assume the existing loan. This will require the new interest rate from 1% to the Applicable Federal Rate (AFR) interest rate and extend the term until 2038, which is the requested term of the housing revenue entitlement bonds. There is no outstanding debt to the City on the Family Tree Coop. The request for tax-exempt entitlement housing revenue bonds (HRB) from the City's 2008 entitlement allocation will also include an allocation of 4% low income housing tax credits. The project received \$199,950 of AHTF Pipeline Funds in April 2008. These funds will assist with the rehabilitation needs of the project.

Housing Revenue Bond Information

West Bank Blue Goose Limited Partnership L.L.P. has submitted an application to CPED for tax-exempt housing entitlement revenue bonds not to exceed \$3.3 million. These bonds automatically include 4% low income housing tax credits (LIHTC). Syndication of these tax credits is anticipated to generate approximately \$1,342,107 of additional equity investment in the project. Wells Fargo is the tax credit investor. The proposal is to place the bonds directly with U.S. Bank. As an institutional grade investor, the sale of the bonds directly to U.S. Bank fulfills the City's Multi-family Tax-Exempt Revenue Bond financing guidelines. The bonds will have a 30 year amortization schedule.

Status of 2008 HRB Entitlement	\$39,742,000
Nokomis Senior Housing	(12,000,000)
Blue Goose/Family Tree	(3,300,000)
2008 Entitlement Remaining	\$24,442,000
Anticipated 2008 Projects	
Longfellow Station	\$21,500,000
Andrew Riverside	\$3,600,000
Bond Purchaser/Underwriter	U.S. Bank
Bond Counsel	Kennedy & Graven, Chartered
Council Member Informed	Yes, Ward 2

Proposed Timetables

- City Council considers final HRB May 2008
- Project Pre-closing July 2008
- Construction Start July 2008

Attachments:

City Council Resolution
Project Data Worksheet

**RESOLUTION OF THE
CITY OF MINNEAPOLIS**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF ITS MULTIFAMILY HOUSING REVENUE BONDS (BLUE GOOSE PROJECT), SERIES 2008A AND SERIES 2008B, PAYABLE SOLELY FROM REVENUES PLEDGED PURSUANT TO PAYMENT THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE BONDS AND RELATED DOCUMENTS; PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE BONDS; ESTABLISHING COMPLIANCE WITH CERTAIN REIMBURSEMENT REGULATIONS UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND GRANTING APPROVAL FOR CERTAIN OTHER ACTIONS WITH RESPECT THERETO

WHEREAS, the City of Minneapolis (the "City"), is a municipal corporation and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Minnesota; and

WHEREAS, pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act"), the City is authorized to carry out the public purposes described in the Act by issuing revenue bonds to finance the cost of acquiring and making improvements to multifamily housing developments located within the City; and

WHEREAS, in the issuance of the City's revenue bonds and in the making of a loan to finance a multifamily housing development the City may exercise, within its corporate limits, any of the powers that the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended; and

WHEREAS, representatives of WB Blue Goose Limited Partnership, a Minnesota limited partnership (the "Borrower"), has requested that the City adopt a multifamily housing development program (the "Housing Program") to provide for the issuance of one or more series of tax-exempt multifamily housing revenue bonds in an aggregate principal amount not to exceed approximately \$3,300,000

for the purpose of loaning the proceeds thereof to the Borrower to finance the acquisition and construction of improvements by the Borrower to multifamily rental housing facilities consisting of a building located at 1819 South Fifth Street with fourteen (14) apartment units, a building located at 1825 South Fifth Street with sixteen (16) apartment units, a single family home located at 1815 South Sixth Street, a single family home located at 1818 South Seventh Street, a fourplex building with two apartment units located at 2601 South Sixth Street and two apartment units located at 601 26th Avenue South, and a duplex located at 723 26th Avenue South and 725 26th Avenue South, all located in the City (the "Project"); and

WHEREAS, the Project is designed and intended to be used primarily for rental to and occupancy by persons and families of low and moderate income; and

WHEREAS, pursuant to the Act, the Community Development Committee of the City Council of the City conducted a duly noticed public hearing on January 16, 2007, regarding the Housing Program related to the Project; and

WHEREAS, the Housing Program was submitted to the Metropolitan Council for its review and comment in accordance with the requirements of the Act; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Community Development Committee of the City Council of the City conducted a duly noticed public hearing on May 6, 2008, regarding the proposed issuance of the housing revenue bonds, in an aggregate principal amount not to exceed \$3,300,000; and

WHEREAS, the Borrower has requested that the City issue, sell, and deliver its Multifamily Housing Revenue Bonds (Blue Goose Project), Series 2008A, in an original aggregate principal amount not to exceed \$650,000 (the "Series 2008A Bonds") and its Multifamily Housing Revenue Bonds (Blue Goose Project), Series 2008B (the "Series 2008B Bonds," and collectively with the Series 2008B Bonds, the "Bonds"), in the original aggregate principal amount not to exceed \$2,650,000; and

WHEREAS, it is proposed that the Bonds be sold to U.S. Bank National Association (the "Lender") and the proceeds derived from the sale of the Bonds be loaned by the City to the Borrower pursuant to the terms of a Loan Agreement, to be dated on or after June 1, 2008 (the "Loan Agreement"), between the City and the Borrower pursuant to which the Borrower will promise to make loan repayments

sufficient to pay the principal of, premium, if any, and the interest due on the Bonds when due; and

WHEREAS, the Borrower will apply the proceeds of the Bonds to finance the costs of the Project, as well as the costs of issuance and certain other costs associated with the issuance of the Bonds; and

WHEREAS, it is further proposed that the City assign its rights to loan repayments and certain other rights under the Loan Agreement (except for the City's rights to certain fee payments, indemnification, and rights to reimbursement of certain expenses) to the Lender as security for payment of the Bonds pursuant to a Pledge Agreement, to be dated on or after June 1, 2008 (the "Pledge Agreement"), between the City and the Lender; and

WHEREAS, as further security for loan repayments, the Borrower will execute a Combination Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement, to be dated on or after June 1, 2008 (the "Mortgage"), for the benefit of the City and the City will assign its interests in the Mortgage to the Lender pursuant to an Assignment of Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement, to be dated on or after June 1, 2008 (the "Assignment of Mortgage"); and

WHEREAS, the Bonds: (i) shall be payable solely from the revenues and security pledged therefor; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City's interest in the Project and the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS AS FOLLOWS:

1. The City acknowledges, finds, determines, and declares that the issuance of the Bonds is authorized by the Act and is consistent with the purposes of the Act and that the issuance of the Bonds, and the other actions of the City under the Loan Agreement, Pledge Agreement, the Regulatory Agreement (as defined herein), the Mortgage, the Assignment of Mortgage, and this resolution constitute a public purpose and are in the best interests of the City. In authorizing the issuance of the Bonds for the financing of the Project and the related costs, the City's purpose is and the effect thereof will be to promote the public welfare of the City and its residents by providing multifamily housing developments for low income residents of the City and otherwise furthering the purposes and policies of the Act.

2. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Series 2008A Bonds in one or more series in the maximum aggregate principal amount not to exceed \$650,000. The Series 2008A Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Loan Agreement, in the form now on file with the City, with the amendments referenced herein. The City hereby authorizes the Series 2008A Bonds to be issued, in whole or in part, as "tax-exempt bonds," the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes.

All of the provisions of the Series 2008A Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2008A Bonds shall be substantially in the forms in the Loan Agreement on file with the City, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Series 2008A Bonds and the stated maturities of the Series 2008A Bonds, the interest rates on the Series 2008A Bonds, and the terms of redemption of the Series 2008A Bonds) as the City Finance Officer (the "Finance Officer"), in his discretion, shall determine. The execution of the Series 2008A Bonds with the manual or facsimile signature of the Finance Officer and the delivery of the Series 2008A Bonds by the City shall be conclusive evidence of such determination.

3. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Series 2008B Bonds in one or more series in the

maximum aggregate principal amount not to exceed \$2,650,000. The Series 2008B Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Loan Agreement, in the form now on file with the City, with the amendments referenced herein. The City hereby authorizes the Series 2008B Bonds to be issued, in whole or in part, as "tax-exempt bonds," the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes.

All of the provisions of the Series 2008B Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Series 2008B Bonds shall be substantially in the forms in the Loan Agreement on file with the City, which forms are hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Series 2008B Bonds and the stated maturities of the Series 2008B Bonds, the interest rates on the Series 2008B Bonds, and the terms of redemption of the Series 2008B Bonds) as the Finance Officer, in his discretion, shall determine. The execution of the Series 2008B Bonds with the manual or facsimile signature of the Finance Officer and the delivery of the Series 2008B Bonds by the City shall be conclusive evidence of such determination.

4. The City Council of the City hereby authorizes and directs the Finance Officer to execute the Loan Agreement, and hereby authorizes and directs the execution of the Bonds in accordance with the terms of the Loan Agreement, and hereby provides that the Loan Agreement shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owners of the Bonds, the City, the Borrower, and the Lender, as owner of the Bonds, as set forth therein.

All of the provisions of the Loan Agreement, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Loan Agreement shall be substantially in the form on file with the City, which is hereby approved, with such necessary and appropriate variations, omissions and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determination.

5. To ensure compliance with certain rental and occupancy restrictions imposed by the City's Affordable Housing Policy, the Act and Section 142(d) of the

Code, the City shall enter into a Regulatory Agreement, to be dated on or after June 1, 2008 (the "Regulatory Agreement"), between the City, the Borrower, and the Lender. All of the provisions of the Regulatory Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Regulatory Agreement shall be substantially in the form on file with the City which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determination.

6. The Finance Officer is hereby authorized and directed to execute and deliver the Pledge Agreement, the Regulatory Agreement, the Mortgage, and the Assignment of Mortgage. All of the provisions of the Pledge Agreement, the Regulatory Agreement, the Mortgage, and the Assignment of Mortgage, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Pledge Agreement, the Regulatory Agreement, the Mortgage, and the Assignment of Mortgage shall be substantially in the forms on file with the City which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, and as the Finance Officer, in his discretion, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determination.

7. The Bonds shall be special, limited revenue obligations of the City, the proceeds of which shall be disbursed pursuant to the terms of the Loan Agreement, and the principal, premium, and interest on the Bonds shall be payable solely from the proceeds of the Bonds and the revenues derived from the Loan Agreement.

8. The United States Department of the Treasury has promulgated Treasury Regulation, Section 1.150-2 (the "Regulation") governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City or a borrower from the City for project expenditures paid prior to the date of issuance of such bonds. The Regulation requires that the City adopt a statement of official intent to reimburse an original expenditure not later than sixty (60) days after payment of the original expenditure. The Regulation also generally requires that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within eighteen (18) months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid. The Regulation generally permits reimbursement of capital expenditures and costs of issuance of the bonds.

The City expects that a portion of the costs of the Project will be expended prior to the date of issuance of the Bonds. The City reasonably expects to reimburse the Borrower for such expenditures from the proceeds of the Bonds after the date of issuance of the Bonds. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulation and also qualifying expenditures under the Act.

Based on representations by the Borrower, other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures permitted to be reimbursed under prior regulations pursuant to the transitional provision contained in Section 1.150-2(j)(2)(i)(B) of the Regulation, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulation, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulation), no expenditures with respect to the Project to be reimbursed from the proceeds of the Bonds have been made by the Borrower more than sixty (60) days before the date of adoption of this resolution.

Based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project to be financed from proceeds of the Bonds, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof.

9. The Finance Officer is hereby authorized to execute and deliver, on behalf of the City, such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including a Certificate of the City, an Endorsement to the Borrower's Tax Certificate, an Information Return for Tax-Exempt Private Activity Bond Issues, IRS Form 8038, with respect to the Bonds, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Bonds. The City hereby authorizes Kennedy & Graven, Chartered, as bond counsel of the City, to prepare, execute, and deliver its approving legal opinions with respect to the Bonds.

10. Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the City or the City Council 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 Council, 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.

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 Council of the City, or any officer, agent or employee of the City in that person's individual capacity, and neither the City Council of the City nor any officer or employee executing the Bonds shall be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or 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 Loan Agreement which are to be applied to the payment of the Bonds, as provided therein.

11. 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 and 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 provisions 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.

12. In case any one or more of the provisions of this resolution (other than the provisions contained in Section 7) 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 endorsed as if such illegal or invalid provisions had not been contained therein.

13. 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 the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

14. The officers of the City, bond counsel, other attorneys, and other agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, the Bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this resolution. If for any reason the Finance Officer is unable to execute and deliver the documents referred to in this Resolution, such documents may be executed by any member of the City Council or any officer of the City delegated the duties of the Finance Officer with the same force and effect as if such documents were executed and delivered by the Finance Officer.

15. The Borrower will pay the administrative fees of the City and pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued, including any costs for attorneys' fees.

16. This Resolution shall be in full force and effect from and after its approval and publication.