



Legislation Text

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Awarding the sale of Taxable General Obligation Tax Increment Bonds, Series 2014D; delegating to a Pricing Committee the authority to set the terms thereof within parameters set forth in this Resolution; fixing the form of the Series 2014D Bonds and directing their execution and delivery; and providing for the payment of and levying a tax for the Series 2014D Bonds.

WHEREAS, the City Council of the City of Saint Paul, Minnesota (the "City") has heretofore determined that it is necessary and expedient to provide money to: (i) current refund and prepay the Taxable General Obligation Tax Increment Revenue Refunding Bonds, Series 2005C (the "Series 2005C Bonds") issued by the City in the original aggregate principal amount of \$5,130,000 and currently outstanding in the principal amount of \$1,540,000; (ii) fund or reimburse eligible costs for certain public redevelopment activities in the Saint Paul Neighborhood Redevelopment Project Area (the "Project Area") which includes the Snelling-University Tax Increment Financing District (the "TIF District"); and (iii) pay certain costs of issuance relating to the Series 2014D Bonds; and

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul (the "Authority") will pledge to the City the tax increments (the "Tax Increments") derived solely from the TIF District to the City for the payment of the principal of and interest due on the Series 2014D Bonds; and

WHEREAS, the Authority established the TIF District, being a tax increment financing district established under Minnesota Statutes, Section 469.174 to 469.1799 as amended (the "Tax Increment Act"), pursuant to the Tax Increment Act and a resolution duly adopted by the Board of Commissioners of the Authority; and

WHEREAS, the reimbursement or payment of public redevelopment costs in the Project Area, including the TIF District, will be made in accordance with the Tax Increment Act and with Laws of Minnesota 2010, Chapter 216, Section 60; and

WHEREAS, City staff and the Underwriter are authorized to proceed with actions for the issuance of the Series 2014D Bonds to refund the Series 2005C Bonds; and

WHEREAS, pursuant to a Pledge Agreement (the "2005 Pledge Agreement"), between the Authority and the City, the Tax Increments were pledged to the payment of the Series 2005C Bonds; and

WHEREAS, for the purposes described above, the City wishes to provide funds by issuing its Taxable General Obligation Tax Increment Refunding Bonds, Series 2014D (the "Series 2014D Bonds"); and

WHEREAS, the Authority has approved the execution and delivery of a Tax Increment Pledge Agreement, to be dated on or after July 1, 2014 (the "Pledge Agreement"), between the Authority and the City, pledging the Tax Increments to the payment of the Series 2014D Bonds; and

WHEREAS, if the Tax Increments received from the Authority are not sufficient to pay the principal and interest on the Series 2014D Bonds, the City has pledged its full faith and credit and power to levy direct general ad valorem taxes without limitation as to rate or amount for the payment of principal and interest on the Series 2014D Bonds; and

WHEREAS, pursuant to RES 14-215, adopted by the City Council of the City on February 5, 2014, the City previously authorized the issuance of the Series 2014D Bonds; and

WHEREAS, the Office of Financial Services of the City has presented a proposal to delegate to a pricing committee (the "Pricing Committee") to negotiate the sale of the Series 2014D Bonds with BMO Capital Markets GKST, Inc. (the "Underwriter") within the parameters set forth in this Resolution; and

WHEREAS, the Pricing Committee shall consist of the Director, Office of Financial Services or his designee, the City Debt Manager or his designee, and a representative of Springsted Incorporated.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, as follows:

1. Sale of the Series 2014D Bonds and Redemption of the Series 2005C Bonds.

(a) It is hereby found and determined to be in the best interests of the City to issue and sell the Series 2014D Bonds to the Underwriter subject to the approval of the Pricing Committee and compliance with the parameters set forth below. The Series 2014D Bonds shall be issued pursuant to the provisions of the Tax Increment Act, the City Charter, and Minnesota Statutes, Chapter 475, as amended. The Pricing Committee may approve the sale of the Series 2014D Bonds to the Underwriter on terms and at a purchase price within the following limitations: (a) the total original aggregate principal amount of the Series 2014D Bonds shall not exceed \$2,050,000; (b) the true interest cost of the Series 2014D Bonds shall not exceed 2.00%; and (c) the final maturity of the Series 2014D Bonds shall not be later than March 1, 2017.

Upon the successful pricing of the Series 2014D Bonds, the Debt Manager or his designee is authorized to send a notice of redemption for the current refunding of the Series 2005C Bonds. The notice of redemption for the Series 2005C Bonds shall be in substantially the form attached hereto as EXHIBIT B with such modifications as are deemed necessary by the Debt Manager or the registrar for the Series 2005C Bonds.

Interest on the Series 2014D Bonds will be payable semiannually on March 1 and September 1 in each year, commencing March 1, 2015 (or on such other date as approved by the Pricing Committee), calculated on the basis of a 360-day year of twelve 30-day months. The interest on the Series 2014D Bonds is payable to the registered owners of record thereof as of the close of business on the fifteenth (15th) day of the immediately preceding month, whether or not such day is a business day.

3. Execution of Bond Purchase Agreement. The Director, Office of Financial Services and the Mayor or their proper designees, on behalf of the City, are directed to execute the Bond Purchase Agreement with the Underwriter.

4. Original Issue Date; Denominations; Maturities. The Series 2014D Bonds shall be dated as of their date of original issue and shall be issued forthwith on or after such date as fully registered bonds. The Series 2014D Bonds shall be numbered from R-1 upward and shall be in the denomination of \$5,000 each or in any integral multiple thereof. The Series 2014D Bonds shall mature on March 1 in the years and amounts as set forth in the Pricing Committee Certificate.

5. Registrar. The City Treasurer is hereby appointed as the initial bond registrar and paying agent (the "Registrar" and the "Paying Agent") for the Series 2014D Bonds. The City Treasurer shall serve as Registrar unless and until a successor Registrar is duly appointed. A successor Registrar shall be an officer of the City or a bank or trust company eligible for designation as Registrar pursuant to the Municipal Debt Act and may be appointed pursuant to any contract the City and such successor Registrar shall execute which is consistent herewith. The Registrar shall also serve as Paying Agent unless and until a successor Paying Agent is duly appointed. Principal and interest on the Series 2014D Bonds shall be paid to the registered holder or holders of the Series 2014D Bonds (each a "Holder" or the "Holders") in the manner set forth in the form of the Series 2014D Bonds. The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar shall keep a bond register in which the Registrar provides for the registration of ownership of the Series 2014D Bonds and the registration of transfers and exchanges of the Series 2014D Bonds entitled to be registered, transferred, or exchanged.

(b) Transfer of Series 2014D Bonds. Upon surrender for transfer of a Series 2014D Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2014D Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Series 2014D Bonds. When Series 2014D Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2014D Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Series 2014D Bonds surrendered upon transfer or exchange shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Series 2014D Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2014D Bond until the Registrar is satisfied that the endorsement on the Series 2014D Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Series 2014D Bond is registered in the bond register as the absolute owner of the Series 2014D Bond, whether the Series 2014D Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2014D Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon the Series 2014D Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees, and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Series 2014D Bonds sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bond. If a Series 2014D Bond becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2014D Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2014D Bond or in lieu of and in substitution for any Series 2014D Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2014D Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2014D Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance, and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Series 2014D Bonds so surrendered to the Registrar shall be cancelled by the Registrar and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen, or lost Series 2014D Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Series 2014D Bond prior to payment.

6. Registration and Payment. The Series 2014D Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Series 2014D Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein. Each Series 2014D Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2014D Bonds has been paid or made available for payment, unless: (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Series 2014D Bonds will be dated as of the date of authentication; or (ii) the date of authentication is prior to the first interest payment date, in which case the Series 2014D Bonds will be dated as of the date of original issue. Each maturity of the Series 2014D Bonds shall bear interest at the rates per annum as set forth in the Certificate of the Pricing Committee with respect to the Series 2014D Bonds.

7. No Optional Redemption. The Series 2014D Bonds are not subject to optional redemption.

8. Form of the Series 2014D Bonds. All of the provisions of the Series 2014D 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 2014D Bonds shall be substantially in the form attached to this Resolution as EXHIBIT A, which form is hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of each series of the Series 2014D Bonds, the stated maturities of the Series 2014D Bonds, the interest rates on the Series 2014D Bonds, the terms of redemption

of the Series 2014D Bonds, and variation from City policies regarding methods of offering general obligation bonds) as the City Treasurer or Director, Office of Financial Services, or their respective deputies, in their discretion, shall determine and delivery of the Series 2014D Bonds by the City shall be conclusive evidence of such determinations.

The Director, Office of Financial Services is authorized and directed to obtain a copy of the proposed approving legal opinion of bond counsel, which shall be complete except as to dating thereof and cause the opinion to accompany each Series 2014D Bond.

9. Execution. Each Series of the Series 2014D Bonds shall be executed on behalf of the City by the signature of its Mayor, City Clerk, and Director, Office of Financial Services, or their proper designees, each with the effect noted on the form of the Series 2014D Bonds, and provided that any of such signatures may be printed or photocopied facsimiles and the corporate seal may be omitted on the Series 2014D Bonds as permitted by law and the City Charter. In the event of disability or resignation or other absence of any such officer, the Series 2014D Bonds may be signed by the manual or facsimile signature of that officer who may act on behalf of such absent or disabled officer. In case any such officer whose signature or facsimile of whose signature shall appear on the Series 2014D Bonds shall cease to be such officer before the delivery of the Series 2014D Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

10. Authentication; Date of Registration. No Series 2014D Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on such Series 2014D Bond, substantially in the form set forth in EXHIBIT A for the Series 2014D Bonds, shall have been duly executed by an authorized representative of the Registrar. Certificates of Authentication on different Series 2014D Bonds need not be signed by the same person. The Registrar shall authenticate the signatures of officers of the City on each Series 2014D Bond by execution of the Certificate of Authentication on the Series 2014D Bond and by inserting as the date of registration in the space provided the date on which the Series 2014D Bond is authenticated. For purposes of delivering the original Series 2014D Bonds to DTC (as defined below), the Registrar shall insert as the date of registration the date of original issue.

11. Holders; Treatment of Registered Owner; Consent of Holders.

(a) Beneficial Owners. For the purposes of all actions, consents, and other matters affecting Holders of the Series 2014D Bonds, other than payments, redemptions, and purchases, the City may (but shall not be obligated to) treat as the Holder of a Series 2014D Bond the beneficial owner of the Series 2014D Bond instead of the person in whose name the Series 2014D Bond is registered. For that purpose, the City may ascertain the identity of the beneficial owner of the Series 2014D Bond by such means as the Registrar, in its sole discretion, deems appropriate, including but not limited to a certificate from the person in whose name the Series 2014D Bond is registered identifying such beneficial owner.

(b) Registered Owners. The City and Registrar may treat the person in whose name any Series 2014D Bond is registered as the owner of such Series 2014D Bond for the purpose of receiving payment of principal of and premium, if any, and interest on such Series 2014D Bond and for all other purposes whatsoever whether or not such Series 2014D Bond shall be overdue, and neither the City nor the Registrar shall be affected by notice to the contrary.

(c) Actions of Holders. Any consent, request, direction, approval, objection, or other instrument to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and must be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument, or of the writing appointing any such agent and of the ownership of Series 2014D Bonds, if made in the following manner, shall be sufficient for any of the purposes of this resolution, and shall be conclusive in favor of the City with regard to any action taken by it under such request or other instrument, namely: (i) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and (ii) subject to the provisions of subparagraph (a) above, the fact of the ownership by any person of Series 2014D Bonds and the amounts and numbers of such Series 2014D Bonds, and the date of the holding of the same, may be proved by

reference to the bond register.

12. Book-Entry System.

(a) The Depository Trust Company. The Series 2014D Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Series 2014D Bond for each of the maturities set forth in the Certificate of the Pricing Committee. Upon initial issuance, the ownership of each Series 2014D Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). Except as provided in this section, all of the outstanding Series 2014D Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

(b) Participants. With respect to Series 2014D Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Series 2014D Bonds as securities depository ("Participants") or to any other person on behalf of which a Participant holds an interest in the Series 2014D Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of Cede & Co., DTC or any Participant with respect to any ownership interest in the Series 2014D Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Series 2014D Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Series 2014D Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2014D Bonds, of any amount with respect to principal of, premium, if any, or interest on the Series 2014D Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2014D Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2014D Bond for the purpose of payment of principal, premium and interest with respect to such Series 2014D Bond, for the purpose of registering transfers with respect to such Series 2014D Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2014D Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Series 2014D Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Series 2014D Bond, as shown in the registration books kept by the Registrar, will receive a certificated Series 2014D Bond evidencing the obligation of this Resolution. Upon delivery by DTC to the City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk shall promptly deliver a copy of the same to the Registrar and Paying Agent.

(c) Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Series 2014D Bonds and notices with respect to the Series 2014D Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Series 2014D Bonds shall agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

(d) Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Series 2014D Bonds that they be able to obtain Series 2014D Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Series 2014D Bond certificates. In such event the City will issue, transfer and exchange Series 2014D Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Series 2014D Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City shall issue and the Registrar shall authenticate Series 2014D Bond certificates in accordance with this Resolution and the provisions hereof shall apply to the transfer, exchange and method of payment thereof.

(e) Payments to DTC. Notwithstanding any other provision of this Resolution to the contrary, so long as

a Series 2014D Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Series 2014D Bond and all notices with respect to the Series 2014D Bond shall be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

13. Delivery; Application of Proceeds. The Series 2014D Bonds when so prepared and executed shall be delivered by the Director, Office of Financial Services, to the Underwriter upon receipt of the purchase price, and the Underwriter shall not be obliged to see to the proper application thereof.

14. Funds and Accounts.

(a) Bond Fund. A Bond Fund is hereby created as a special fund of the City designated the "General Obligation Tax Increment Bonds Series 2014D Bond Fund" (the "Bond Fund"), to be held and administered by the City Treasurer, separate and apart from all other accounts of the City. For the convenience and proper administration of the money to be borrowed and repaid on the Series 2005C Bonds and Series 2014D Bonds, and to make adequate and specific security to the Underwriter and holders from time to time of the Series 2005C Bonds and the Series 2014D Bonds, there have been heretofore created in the Bond Fund the accounts provided below, to be administered and maintained as bookkeeping accounts in the Bond Fund separate and apart from all other accounts maintained therein. The Bond Fund shall be maintained in the manner herein specified until all of the Series 2014D Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund three (3) separate accounts, to be designated (i) the "Refunding Account", (ii) the "Project Account" and (iii) the "Series 2014D Debt Service Account".

(i) Refunding Account. Proceeds received from the sale of the Series 2014D Bonds shall be utilized for the redemption and prepayment of the outstanding Series 2005C Bonds on the date selected by the Debt Manager for redemption. The proceeds received from the sale of the Series 2014D Bonds, less amounts deposited in the Project Account, shall be deposited into the Refunding Account. On the redemption date selected by the Debt Manager for redemption of the Series 2005C Bonds, the City shall transfer to the paying agent for the Series 2005C Bonds the amount necessary to pay and redeem the outstanding principal and interest on the Series 2005C Bonds on such date. The money in the Refunding Account shall be used solely for the purposes set forth herein and for no other purpose. Any excess in the Refunding Account shall be deposited in the Project Account.

(ii) Project Account. To the Project Account there shall be credited the proceeds of the sale of the Series 2014D Bonds, less amounts deposited in the Refunding Account or the Debt Service Account. From the Project Account there shall be paid all costs and expenses of making or reimbursing the City and/or the Authority for eligible public redevelopment costs and the cost of issuance of the Series 2014D Bonds; and the money in the Project Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Series 2014D Bonds may also be used to the extent necessary to pay interest on the Series 2014D Bonds due prior to the anticipated date of commencement of the collection of taxes or special assessments herein covenanted to be levied; and provided further that if upon completion of the eligible public improvements there shall remain any unexpended balance in the Project Account, the balance may be transferred to the Debt Service Account. All earnings on the Project Account shall be transferred to the Debt Service Account, or may be retained in the Project Account, as determined by the Director, Office of Financial Services. The Director, Office of Financial Services is authorized to pay the cost of issuance of the Series 2014D Bonds from the Project Account.

(iii) Debt Service Account. The Series 2014D Bonds shall be payable from the Debt Service Account (the "Debt Service Account") hereby created. The Tax Increments pledged under the Pledge Agreement and proceeds, if any, of the ad valorem taxes hereinafter levied as described in the resolution authorizing the sale of the Series 2014D Bonds are hereby pledged to the Debt Service Account. If a payment of principal or interest on the Series 2014D Bonds becomes due when there is not sufficient money in the Debt Service Account to pay the same, the Director, Office of Financial Services will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the taxes levied by this Resolution, when

collected. There is appropriated to the Debt Service Account: (i) the accrued interest, if any, paid by the Underwriter upon closing and delivery of the Series 2014D Bonds; (ii) Tax Increments derived from the TIF District and received by the City pursuant to the Pledge Agreement, provided that Tax Increments in excess of amounts necessary to pay the principal of and interest on the Series 2014D Bonds may be used as permitted by the Pledge Agreement and as otherwise provided by law; (iii) any collections of all property taxes hereafter levied for the payment of the Series 2014D Bonds and interest thereon; (iv) all investment earnings on funds in the Debt Service Account; and (v) any and all other money which is properly available and is appropriated by the governing body of the City or the Authority to the Debt Service Account.

The money in the Debt Service Account shall be used solely to pay the principal and interest and any premium for redemption of the Series 2014D Bonds and any other bonds of the City hereafter issued by the City and made payable from the Debt Service Account as provided by law.

(b) Other Accounts and Subaccounts. The Director, Office of Financial Services and the City Treasurer are hereby authorized to create such accounts or subaccounts within the Bond Fund (and accounts therein) to properly administer such funds and accounts and to assure compliance with the preceding paragraph. Specifically, the Director, Office of Financial Services may create separate accounts and subaccounts to hold and apply the proceeds of the Series 2014D Bonds and revenues pledged to payment thereof.

15. Pledge of Tax Increments; Coverage Test. All of the Tax Increments (subject to the terms of the Pledge Agreement and this Resolution) are hereby pledged to the payment of the Series 2014D Bonds and the interest thereon, but only to the extent of an amount equal, with other pledged sources, to one hundred five percent (105%) of the principal and interest requirements of the Series 2014D Bonds. Tax Increments shall be used to pay debt service on the Series 2014D Bonds in accordance with the terms of the Pledge Agreement and Section 14 of this Resolution. Tax Increments received in each year in excess of the amount required to pay the debt service on the Series 2014D Bonds shall be released from the funds, free and clear of the pledge stated in this Section 15, as provided in Sections 14 and 16 of this Resolution and the Pledge Agreement.

The Tax Increments are such that if collected in full they, together with investment earnings, and other revenues herein pledged for the payment of the Series 2014D Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Series 2014D Bonds. The estimated amount of Tax Increments to be received over the term of the Series 2014D Bonds, and the use of Tax Increments as provided herein, are such that more than twenty percent (20%) of the total amount to be paid as principal and interest on the Series 2014D Bonds over their term shall be paid from Tax Increments, all within the meaning of Section 475.58 of the Municipal Debt Act.

Annually at the times taxes are required to be levied, the City shall estimate the sufficiency of the Debt Service Account. In the event that it is anticipated that the aggregate amount in (or to be timely received in) the Debt Service Account will not be sufficient to pay principal of and interest on the Series 2014D Bonds to become due in the next eighteen (18) months, the City shall levy an ad valorem tax in such amount as is estimated, with other sources, to be necessary to pay the principal of, and interest on, the Series 2014D Bonds to become due during such period.

16. Pledge Agreement. Prior to issuance of the Series 2014D Bonds, the City and Authority shall enter into the Pledge Agreement under the terms of which the Tax Increments pledged to payment of the Series 2014D Bonds are remitted to the City. Tax Increments may be pledged to other purposes by the Authority after the payment of the Series 2014D Bonds. The priority of such pledges must be subordinate to the pledge made in this Resolution, such priority to be determined at the time thereof. A superior or parity pledge of Tax Increments shall only be made with the consent of the City, but a subordinate pledge may be made without the consent of the City. Notwithstanding any provision herein to the contrary, the City reserves the right to terminate or reduce the Tax Increments pledged to the payment of the Series 2014D Bonds and interest thereon to the extent and in the manner permitted by law so long as such action does not preclude the City from paying when due the debt service on the Series 2014D Bonds or otherwise impair the validity of the Series 2014D Bonds or the City's full faith and credit pledge to the Series 2014D Bonds.

The form of the Pledge Agreement currently on file with the City is hereby approved, and shall be executed on behalf of the City by the Mayor, the City Clerk, and Director, Office of Financial Services, or their

proper designees, in substantially the form approved, with such changes, modifications, additions, and deletions as shall be necessary and appropriate and approved by the City Attorney. So long as the Series 2014D Bonds remain outstanding, the City shall comply with the provisions of the Pledge Agreement as from time to time supplemented or amended.

17. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Series 2014D Bonds, there is levied a direct annual irrevocable ad valorem tax (the "Tax") upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Tax will be credited to the Debt Service Account above provided and shall be established by officials of the City after the award of the Series 2014D Bonds and determination of the interest rates on each series of the Series 2014D Bonds. The Tax shall be levied and collected in the years and in the amounts as follows:

Levy Year	Collection Year	Amount
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(See EXHIBIT A to the Pricing Committee Certificate for the Series 2014D Bonds)

18. Overlevy Requirement. It is determined that the estimated collection of the foregoing Tax (along with the collection of Tax Increments) will produce at least five percent (5%) in excess of the amount needed to meet, when due, the principal and interest payments on each series of the Series 2014D Bonds. The Tax so levied herein will be irrevocable until all of the Series 2014D Bonds are paid, provided that at the time the City makes its annual tax levies the City Clerk may certify to the County Auditor as defined below the amount available in the Debt Service Account to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

At this time, the Tax Increments provide the amount required by this paragraph 18 and no levy of the Tax is required at this time.

19. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Series 2014D Bonds, as the same respectively become due, the full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Series 2014D Bonds payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, including the general fund of the City, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

20. Certificate of Registration. The Director, Office of Financial Services, or his proper designee, is hereby directed to file a certified copy of this resolution with the officer of Ramsey County, Minnesota performing the functions of the county auditor (the "County Auditor"), together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Series 2014D Bonds have been entered in the County Auditor's Bond Register, and that the Pledge Agreement has been filed with the County Auditor.

21. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Underwriter, and to Kennedy & Graven, Chartered, bond counsel to the City, certified copies of all proceedings and records of the City relating to the Series 2014D Bonds and to the financial condition and affairs of the City, and such other affidavits, certificates, and information as are required to show the facts relating to the legality and marketability of the Series 2014D Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

All documents, certificates, and instruments relating to the issuance of the Series 2014D Bonds, including the forms of the Series 2014D Bonds may be executed and delivered by the Mayor, or the City Clerk, or Director, Office of Financial Services, or City Debt Manager, or their proper designees or executive assistants, as determined by the City Attorney and Kennedy & Graven, Chartered, as bond counsel to the City.

22. Other Agreements: Official Statement. There have been submitted to this City Council the form of the Pledge Agreement between the City and the Authority and the form of the Preliminary Official Statement. The use and distribution of the Preliminary Official Statement and of a final Official Statement (the "Official Statement"), by the Underwriter in connection with the offer and sale of the Series 2014D Bonds is hereby approved. The Mayor, the Director, Office of Financial Services, and the City Debt Manager, or their proper designees, are authorized and directed to certify that they have examined the Preliminary Official Statement and the Official Statement, and that to the best of their knowledge and belief the Preliminary Official Statement was and the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement and that the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

23. Continuing Disclosure. In order to satisfy the continuing disclosure requirements of Rule 15c2-12 (b)(5), 17 CFR §240.15c2-12, promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, as amended, the appropriate officials of the City are hereby authorized and directed to execute and deliver a continuing disclosure undertaking substantially in the form of the Continuing Disclosure Certificate set forth in Appendix C of the Official Statement (the "Continuing Disclosure Certificate"). The Continuing Disclosure Certificate is hereby approved with such changes, modifications, additions, and deletions as shall be necessary and appropriate and approved by the City Attorney.

24. Severability. If any section, paragraph, or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity, or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Resolution.

25. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.