



Legislation Details (With Text)

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Title: Approving supplemental resolution #20 Supplementing the General Resolution (CF 88-835) for the issuance of the Ford Redevelopment Site Special Storm Sewer Charge and Subordinate Sewer System Revenue Bond (Green Infrastructure Financing), Series 2020E and taking other required actions.

Sponsors: Chris Tolbert

Indexes: Bond Sale, Ford

Code sections:

Attachments: 1. Exhibit A - StP 2020E Ford Sewer Supplemental Resolution, 2. Exhibit B - StP 2020E Ford Sewer Supplemental Resolution

Date	Ver.	Action By	Action	Result
8/7/2020	1	Mayor's Office	Signed	
8/5/2020	1	City Council	Adopted	Pass

Approving supplemental resolution #20 Supplementing the General Resolution (CF 88-835) for the issuance of the Ford Redevelopment Site Special Storm Sewer Charge and Subordinate Sewer System Revenue Bond (Green Infrastructure Financing), Series 2020E and taking other required actions.

WHEREAS, the City of Saint Paul, Minnesota (the "City") intends to construct a regional stormwater management system (the "Ford Site Stormwater Utility" or the "Project") to facilitate a multi-phase redevelopment project at the approximately 120 acre redevelopment site known as the Ford Site in the Highland Park Neighborhood in the southwest corner of the City (the "Ford Site"); and

WHEREAS, the redevelopment of the Ford Site will feature 55+ acres of parks and open space, retail and office space, as well as housing of all types; affordable housing, senior living, apartments, row homes, single-family and condos; and

WHEREAS, On December 4, 2019, the City Council of the City adopted RES PH 19-388, approving the Ford Site Redevelopment Budget and Redevelopment Agreement (the "Redevelopment Agreement"), and the Redevelopment Agreement outlines the roles and responsibilities of the parties for the financing and construction of the public infrastructure required for the future private development of the Ford Site as envisioned in the Ford Site Zoning and Public Realm Master Plan (the "Master Plan"); and

WHEREAS, as part of the finance plan for the Redevelopment Agreement to implement the Master Plan, on May 6, 2020, the City Council of the City adopted RES 20-672, establishing the Ford Site Green Infrastructure Stormwater Management District (the "District"), as well as connection and ongoing operation and maintenance charges for the parcels and uses to be served by the Ford Site Stormwater Utility; and

WHEREAS, more specifically, the primary purpose of the District is to facilitate funding of the Ford Site Stormwater Utility which will include above ground and subsurface stormwater infrastructure located within the central stormwater feature, civic plaza easement area, the Gateway Grounds and the Hidden Falls Headwater; and

WHEREAS, the Ford Site Stormwater Utility are new improvements to the City's stormwater utility and will be part of the Sewer System (as defined in the General Resolution (as defined below)) once completed; and

WHEREAS, the City considers the Ford Site Stormwater Utility to be green infrastructure as it uses vegetation, soils, and other elements to restore some of the natural processes required to manage water and create healthier urban environments and is also intended to capture stormwater and use it as a visible resource that serves ecosystem habitat and is a valuable amenity for landowners; and

WHEREAS, on June 15, 2020, the City's Office of Financial Services solicited proposals under a Request for Proposals (the "RFP") from financial institutions for the financing evidenced by the City's Ford Redevelopment Site Special Storm Sewer Charge and Subordinate Sewer System Revenue Bonds (Green Infrastructure Financing), Series 2020E (the "Series 2020E Bond") and five (5) responsive proposals were received on June 30, 2020 at the City's Office of Financial Services; and

WHEREAS, City staff, Ehlers and Associates, Inc., as municipal advisor to the City (the "Municipal Advisor"), and Ballard Spahr LLP, bond counsel for the City, reviewed the proposals received from the responding financial institutions; and

WHEREAS, the Director, Office of Financial Services, has advised this Council that the proposal of the Purchaser (as defined herein) was found, in consultation with the Municipal Advisor, to be the most advantageous and has recommended that said proposal be accepted by the City; and

WHEREAS, the proceeds derived from the sale of the Series 2020E Bond will be used by the City to (i) finance portions of the construction and equipping of the Ford Site Stormwater Utility; (ii) finance capitalized interest as necessary; and (iii) to pay costs of issuance of the Series 2020E Bond; and

WHEREAS, the City Council gave its preliminary approval to the issuance of the Series 2020E Bond by adopting RES 20-62 on January 15, 2020; and

WHEREAS, on May 24, 1988, the City Council of the City adopted Resolution No. 88-835, entitled "General Resolution Relating to Sewer Revenue Bonds" (the "General Resolution"); and

WHEREAS, the Bonds shall be secured (i) first by a per square foot charge applicable to each of the parcels within the District, which charge shall be paid at the time a building permit is issued for a parcel in the Ford Site (the "Ford Site Special Sewer Charge"), and (ii) second by a subordinate pledge of the City's sanitary and storm sewer system revenues (as more fully described in the General Resolution, the "Revenues"); and

WHEREAS, the Ford Site Special Sewer Charge will be the first source of repayment and, because the receipt of the Ford Site Special Sewer Charge will be variable, the Revenues of the Sewer System are expected to be a second source of repayment for the Bonds; and

WHEREAS, under the terms of the General Resolution, the Ford Site Special Sewer Charges are not Revenues of the Sewer System and such charges will not be borne by the City nor any property owner outside the District; and

WHEREAS, the Ford Site Special Sewer Charge is anticipated to generate at least \$11,706,006 based upon the requirements of the Redevelopment Agreement which amount is approximately 140% of the original aggregate principal amount of the Series 2020E Bond; and

WHEREAS, pursuant to the terms of this Resolution and the General Resolution, the City has elected

to supplement the General Resolution and pledge the Revenues of the Sewer System on a subordinate basis to the Series 2020E Bond and the pledge of the Revenues of the Sewer System to the payment of the Series 2020E Bond is junior and subordinate to the pledge of Revenues of the Sewer System to the Parity Bonds (as defined in the General Resolution); and

WHEREAS, the General Resolution contemplates Supplemental Resolutions which supplement or amend the General Resolution, including Supplemental Resolutions that override the provisions of the General Resolution for a series of Additional Bonds (as defined in the General Resolution) and authorizing the issuance of Additional Bonds secured on a parity or subordinate basis with the bonds initially issued pursuant to the General Resolution, which were originally the City's Sewer Revenue Bonds, Series 1988A (the "Series 1988A Bonds") and which are no longer outstanding; and

WHEREAS, Section 2.10 of the General Resolution provides that the terms of a Supplemental Resolution may override the provisions of the General Resolution for a particular series of bonds such as the Series 2020E Bond; provided that the terms of the Supplemental Resolution may not materially prejudice the holders of the outstanding bonds issued under the General Resolution, as supplemented and amended; and

WHEREAS, it is necessary and desirable to adopt this resolution as a Supplemental Resolution to the General Resolution to provide for the issuance of the Series 2020E Bond and a pledge of the Revenues of the Sewer System to the repayment of the Series 2020E Bond on a subordinate and junior basis to the City's outstanding (i) Sewer Revenue Bonds, Series 2011C (the "Series 2011C Bonds"); (ii) Sewer Revenue and Refunding Bonds, Series 2013D (the "Series 2013D Bonds"); (iii) Sewer Revenue Bonds, Series 2014E (the "Series 2014E Bonds"); (iv) Sewer Revenue Bonds, Series 2015B (Green Bonds) (the "Series 2015B Bonds"); (v) Sewer Revenue Bonds, Series 2016B (Green Bonds) (the "Series 2016B Bonds"); (vi) Sewer Revenue Refunding Bonds, Series 2016D (the "Series 2016D Bonds"); (vii) Sewer Revenue Bonds, Series 2017C (the "Series 2017C Bonds"); (viii) Sewer Revenue Bonds, Series 2018D (the "Series 2018D Bonds"); (ix) Sewer Revenue Bonds, Series 2019F (the "Series 2019F Bonds") and (x) Sewer Revenue and Refunding Bonds, Series 2020D (the "Series 2020D Bonds") which are the senior bonds outstanding under the General Resolution (collectively with any additional future senior sewer revenue bonds issued under the terms of the General Resolution (as amended), the "Parity Bonds"); and

WHEREAS, the Parity Bonds were issued by the City in order to finance or refinance rehabilitation projects to the City's Sewer System, including major sewer repairs, tunnel repairs and stormwater quality improvements, but have not financed any improvements in the District such as the Project; and

WHEREAS, the Project is an Improvement as defined in the General Resolution; and

WHEREAS, Revenues of the Sewer System in the sixth use at section 4.03(A) of the General Resolution have been pledged (on a subordinate basis) to the payment of the City's outstanding General Obligation Sewer Revenue Note of 2000 (the "General Obligation Note") with a final maturity of August 20, 2020 and to the Series 2020E Bond; and

WHEREAS, the Reserve Account established under the General Resolution will not be funded for the Series 2020E Bond and the current deposits in the Reserve Account will secure certain series of the outstanding Parity Bonds; and

WHEREAS, the City is exercising this power pursuant to the power granted in Section 2.10 of the General Resolution to override the provisions of the General Resolution and provide a Reserve Account deposit of \$0 for the Series 2020E Bond; and

WHEREAS, the Bond Registrar (as defined herein) shall maintain the registration books of the City as provided in paragraph 9; and

WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), public sale requirements do not apply to the Series 2020E Bond, because the City has retained an independent municipal advisor (the "Municipal Advisor") and this Council has determined to sell the Series 2020E Bond by private negotiation, and the City has instead authorized a competitive sale without publication of notice thereof as a form of private negotiation and the RFP served such purpose; and

WHEREAS, the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") do not apply to the Series 2020E Bond because such debt obligations of the City are not being publicly offered as securities that are governed by the provisions of the Rule and the City is not required to provide certain continuing disclosure with respect to the Series 2020E Bond.

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

1. Supplemental Resolution No. 20; Findings; Capitalized Terms. This resolution is "Supplemental Resolution No. 20" to the General Resolution, and constitutes a "Supplemental Resolution" as defined therein. The Series 2020E Bond is a "Fixed Rate Bond" and "Tax-Exempt Bond", all as defined in the General Resolution. It is hereby found, determined and declared that (1) the Series 2020E Bond is issued as Fixed Rate Bond subordinate and junior to the outstanding Parity Bonds pursuant to Section 6.01 of the General Resolution to finance the Ford Site Stormwater Utility, and (2) even though the requirements of Section 6.01(B) do not apply because the Series 2020E Bond will be issued with a subordinate and junior lien on the Revenues, the City can comply with the 1.25 rate test set forth in Section 6.01(B) for additional Parity Bonds as set forth in paragraph 31 below. The Series 2020E Bond will not be a Variable Rate Bond, Adjustable Rate Bond, or Mandatory Tender Bond. Capitalized terms used in this resolution which are not defined herein but which are defined in the General Resolution shall have the meanings given such terms in the General Resolution.

2. Acceptance of Proposal. The proposal of Old National Bank (the "Purchaser" or "Holder"), to purchase the Series 2020E Bond, in accordance with the RFP for the bond sale, at the rates of interest set forth hereinafter, and to pay for the Series 2020E Bond the sum of \$8,480,000 (the principal amount of the Series 2020E Bond), is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted for Series 2020E Bond. The Director, Office of Financial Services (or his designee), on behalf of the City, is directed to execute and deliver the necessary commitment letter or term sheet with the Purchaser related to the Series 2020E Bond.

3. Title; Original Issue Date; Denominations; Maturities. The Series 2020E Bond shall be titled "Ford Redevelopment Site Special Storm Sewer Charge and Subordinate Sewer System Revenue Bond (Green Infrastructure Financing), Series 2020E", shall be dated its date of issuance and shall be issued forthwith on or after such date as a fully registered bond. The Series 2020E Bond shall be numbered from R-1 upward. The Series 2020E Bond shall be in the denomination of the entire principal amount, or, if a portion of said principal amount is prepaid, said principal amount less the prepayment. The amount of Series 2020E Bond authorized to be issued is the purchase price referenced in the Section 2.

4. Purpose. The Series 2020E Bond shall provide funds to (i) finance the Ford Site Stormwater Utility, (ii) finance capitalized interest as necessary, and (iii) to pay costs of issuance of the Series 2020E Bond.

5. Interest. The Series 2020E Bond shall bear interest payable semiannually on June 1 and December 1 of each year as provided in Section 2.08 of the General Resolution (each, an "Interest Payment Date"), commencing June 1, 2021. Interest on the Series 2020E Bond shall be calculated from their date of issuance on the basis of a 360-day year of twelve 30-day months, at an interest rate of 1.80% per annum.

6. Principal. The scheduled payment of principal of the Series 2020E Bond shall be on June 1 of each year (each a "Principal Payment Date"), commencing June 1, 2021, with a final principal payment on

June 1, 2030.

7. Description of the Series 2020E Bond. Upon its original issuance the Series 2020E Bond will be issued in the form of a single Series 2020E Bond delivered to the Purchaser in the form attached hereto as Exhibit A.

8. Method of Payment. The Series 2020E Bond shall be issuable only in the form attached hereto as Exhibit A, and the ownership of the Series 2020E Bond shall be transferred only upon the bond register of the City hereinafter described. The interest and principal amount of each Series 2020E Bond shall be payable by wire transfer, ACH payment, check or draft issued by the City Treasurer as registrar and paying agent (the "Registrar").

9. Redemption.

(a) Optional Redemption. The City may elect on June 1, 2021 and on any Interest Payment Date thereafter to prepay the Series 2020E Bond. Optional redemptions may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Series 2020E Bond is called for redemption, the City will notify the Purchaser of the particular amount to be prepaid. All optional redemptions of the Series 2020E Bond shall be at a price of par plus accrued interest to the redemption date.

(b) Scheduled Mandatory Redemption. The Series 2020E Bond are subject to mandatory sinking fund redemption on June 1 in the respective years and the respective principal amounts set forth below in \$1,000 principal amounts selected by the Registrar, by lot or other manner as directed by the City, at a Redemption Price equal to the principal amount thereof to be redeemed plus interest accrued to the Redemption Date:

Series 2020 Bond Maturing June 1, 2030

Payment Date (June 1)	Principal Amount	Payment Date (June 1)	Principal Amount
2021	\$500,000	2026	\$ 500,000
2022	500,000	2027	500,000
2023	500,000	2028	500,000
2024	500,000	2029	500,000
2025	500,000	2030*	3,980,000

**Stated Maturity*

(c) Due Date. The Series 2020E Bond or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date.

(d) Notice. Mailed notice of redemption shall be given to the paying agent (if other than a City officer) and to each affected Holder. If and when the City shall call any of the Series 2020E Bond for redemption and payment prior to the stated maturity thereof, the Bond Registrar shall give written notice in the name of the City of its intention to redeem and pay such Series 2020E Bond at the office of the Bond Registrar. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than fifteen (15) days prior to the redemption date, to each Holder of Series 2020E Bond to be redeemed, at the address appearing in the Bond Register. All notices of redemption shall state:

- (i) the redemption date;

(ii) the redemption price;

(iii) if less than all outstanding Series 2020E Bond are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2020E Bond to be redeemed;

(iv) that on the redemption date, the redemption price will become due and payable upon each such Series 2020E Bond, and that interest thereon shall cease to accrue from and after said date;

(v) the place where such Series 2020E Bond are to be surrendered for payment of the redemption price (which shall be the office of the Bond Registrar); and

(vi) include a statement that the redemption so noticed is conditioned on sufficient funds being held by the City on or before noon on the applicable redemption date to pay the full redemption price, and if at such time the amount so held is not sufficient to pay all amounts required to effect the noticed redemption in full, the redemption shall be cancelled, with all Series 2020E Bond tendered for such redemption being returned to the holders thereof and no liability on the part of the City shall arise as a result of such cancellation.

(e) Notice and Effect of Redemption. The date of redemption and the principal amount of the Series 2020E Bond to be redeemed shall be fixed by the City Treasurer, who shall give notice thereof to the Purchaser not less than fifteen (15) days in advance by first class mail, postage prepaid at the Purchaser's address appearing in the Bond register to be redeemed and the date on which payment will be made. On the date so fixed interest on the Series 2020E Bond or portions thereof so redeemed shall cease.

10. Bond Registrar. As provided in Section 2.03 of the General Resolution, the City Treasurer is appointed to act as bond registrar and transfer agent with respect to the Series 2020E Bond (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed. A successor Bond Registrar shall be an officer of the City or a bank or trust company eligible for designation as Bond Registrar pursuant to the Municipal Debt Act and may be appointed pursuant to any contract the City and such successor Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as Paying Agent unless and until a successor Paying Agent is duly appointed. Principal of and interest on the Series 2020E Bond shall be paid to the registered holder or holders of the Series 2020E Bond (the "Holder" or "Holders") in the manner set forth in the form of the Series 2020E Bond. The effect of registration and the rights and duties of the City and the Bond 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 2020E Bond and the registration of transfers and exchanges of the Series 2020E Bond entitled to be registered, transferred, or exchanged.

(b) Transfer of Series 2020E Bond. Upon surrender for transfer of a Series 2020E 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 2020E Bond 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 (15TH) day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Series 2020E Bond. When Series 2020E Bond are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2020E Bond of a like aggregate principal amount and maturity as requested by the registered owner or

the owner's attorney in writing.

(d) *Cancellation.* Series 2020E Bond 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 2020E Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2020E Bond until the Registrar is satisfied that the endorsement on the Series 2020E 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 2020E Bond is registered in the bond register as the absolute owner of the Series 2020E Bond, whether the Series 2020E Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2020E 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 2020E 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 2020E Bond 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 Series 2020E Bond.* If a Series 2020E Bond becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2020E Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2020E Bond or in lieu of and in substitution for any Series 2020E 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 2020E Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2020E 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 2020E Bond 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 2020E Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Series 2020E Bond prior to payment.

11. Form of Series 2020E Bond. All of the provisions of the Series 2020E Bond, 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 2020E Bond shall be issued in the form of a registered bond authorized pursuant to Section 6 hereof, as required by Sections 2.01, 2.14 and 2.17 of the General Resolution. The Series 2020E Bond 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 the Series 2020E Bond, the stated maturity of the Series 2020E Bond, the interest rate on the Series 2020E Bond, the terms of redemption of the Series 2020E Bond, and variation from City policies regarding methods of offering bonds) as the City Treasurer and Director, Office of Financial Services, or their respective deputies, in their discretion, shall determine and delivery of the Series 2020E Bond by the City shall be conclusive evidence of such determinations. Changes to the form of the Series 2020E Bond may be approved by bond counsel and the City Attorney.

The City Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Ballard Spahr LLP, as bond counsel to the City, which shall be complete except as to dating thereof and cause the opinion to accompany the Series 2020E Bond.

12. Execution. As provided in Section 2.04 of the General Resolution, the Series 2020E Bond shall be executed on behalf of the City by the signatures of its Mayor, Clerk and Director, Office of Financial Services, or their respective designees, provided that any of such signatures may be printed or photocopied facsimiles and the corporate seal may be omitted on the Series 2020E Bond as permitted by law. In the event of disability or resignation or other absence of any such officer, the Series 2020E Bond 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 2020E Bond shall cease to be such officer before the delivery of the Series 2020E Bond, 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.

13. Authentication; Date of Registration. As provided in Section 2.05 of the General Resolution, no Series 2020E 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 2020E Bond, substantially in the form hereinabove set forth, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Series 2020E Bond need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Series 2020E Bond by execution of the Certificate of Authentication on the Series 2020E Bond and by inserting as the date of registration in the space provided the date on which the Series 2020E Bond is authenticated. For purposes of delivering the Series 2020E Bond to the Purchaser, the Bond Registrar shall insert as the date of registration the date of original issue. The Certificate of Authentication so executed on each Series 2020E Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

14. Registration; Transfer; Exchange. As provided in Sections 2.06, 2.15 and 2.18 of the General Resolution, the City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of the Series 2020E Bond and the registration of transfers of the Series 2020E Bond entitled to be registered or transferred as herein provided.

The registration, transfer and exchange of the Series 2020E Bond shall be governed by Sections 2.06, 2.15 and 2.18 of the General Resolution.

15. Rights Upon Transfer or Exchange. As provided in Section 2.07 of the General Resolution, each Series 2020E Bond delivered upon transfer of or in exchange for or in lieu of any other Series 2020E Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2020E Bond.

16. Interest Payment; Record Date. As provided in Section 2.08 of the General Resolution, interest shall be paid on each Interest Payment Date by check or draft mailed to the Holders, and in each case at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest.

17. Holders; Treatment of Registered Owner; Consent of Holders. Section 2.09 of the General Resolution shall apply to the Series 2020E Bond.

18. Delivery; Application of Proceeds. The Series 2020E Bond when so prepared and executed

shall be delivered by the Director, Office of Financial Services, to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

19. Fund and Accounts. There has heretofore been created, by the General Resolution, a special fund of the City designated the "Sewer Service Enterprise Fund" (the "Fund"). The Fund shall continue to be operated as provided in the General Resolution, except as provided herein. The Fund shall be maintained as provided in the General Resolution, especially Article IV thereof, except as modified herein, and in the manner herein specified until all of the Series 2020E Bond and the interest thereon have been fully paid.

(a) Construction Account. Into the Construction Account established by Section 4.02 of the General Resolution, specifically a separate subaccount established for the Series 2020E Bond, shall be paid a portion of the proceeds from the sale of the Series 2020E Bond, including (i) all of the premium and unused discount, if any, and (ii) accrued interest, if any, paid by the Purchaser upon delivery. From the Construction Account, specifically said separate subaccount, shall be paid or reimbursed all costs of the Improvements defined in paragraph 4 of this Resolution, including legal, engineering, financing and other expenses incidental thereto. There shall also be paid from the Construction Account, specifically said separate subaccount, the costs of issuance of the Series 2020E Bond. The provisions of Section 4.02 of the General Resolution apply as to transfers, excess moneys, deposits, earnings and Excess Earnings.

(b) Debt Service Account. Debt service on the Series 2020E Bond shall be paid from Revenues deposited in the Revenue Bond Debt Service Account (after payments for the senior Parity Bonds are made into their various accounts as required under the General Resolution into the Revenue Bond Debt Service Account, the Reserve Account, the Operating Reserve Subaccount and to pay the Current Expenses of the Sewer System) as provided in the General Resolution, but only after amounts in the Ford Site Account (as defined below) are paid into the Revenue Bond Debt Service Account and applied to the Series 2020E Bond. Payments of Revenues and Ford Site Special Sewer Charges into the Revenue Bond Debt Service Account and the Ford Site Account, respectively, shall commence in the month of September 2020. Notwithstanding the deposit of amounts in the Ford Site Account into the Revenue Bond Debt Service Account, the holders of the senior Parity Bonds do not have any claim on the Ford Site Special Sewer Charges and the Ford Site Special Sewer Charges are not to be used by the City to pay the debt service on any Parity Bonds while the Series 2020E Bond is outstanding. For purposes of the payment of principal, amounts scheduled for mandatory redemption shall be treated as maturities.

(c) Ford Site Stormwater Utility Account. There is hereby created a Ford Site Stormwater Utility Account (the "Ford Site Account") to be held by the City as a separate and distinct account in the Sewer System Enterprise Fund. The City shall deposit all Ford Site Special Sewer Charges into the Ford Site Account to be used to pay the principal of and interest due on the Series 2020E Bond. On or before five days before each Interest Payment Date, the City shall transfer such amounts in the Ford Site Account to the Revenue Bond Debt Service Account in amounts to equal the debt service payment (principal and interest) then due and to become due on the Series 2020E Bond on such Interest Payment Date and, if amounts are available and notice has been provided to the Holder or Holders pursuant to Section 9 of this Resolution, then to optionally redeem all or a portion of the Series 2020E Bond. Such amounts shall be transferred to the Revenue Bond Debt Service Account for the Series 2020E Bond not less than five (5) days prior to an Interest Payment Date or Optional Redemption Date, as the case may be. The Ford Site Special Sewer Charges shall be used solely for the payment and redemption of the Series 2020E Bond until their redemption in full. Amounts in the Ford Site Account may be released from the Ford Site Account after payment in full of the Series 2020E Bond. The Series 2020E Bond shall have a first priority lien on the Ford Site Special Sewer Charges and no other Bonds or obligations may be issued on a parity with the Series 2020E Bond.

The City shall utilize the Ford Site Special Sewer Charges prior to the use of the Revenues for the payment of the Series 2020E Bond. The Purchaser shall have a first priority lien on the Ford Site Special Sewer Charges and no other Bonds or obligations may be issued on a parity with the Series 2020E Bond. The holders of the Parity Bonds do not have any claim on the Ford Site Special Sewer Charges and the Ford Site

Special Sewer Charges are not to be used by the City to pay the debt service on any Parity Bonds.

(d) Operating Reserve Subaccount. The City Council shall take appropriate action in maintaining the balance on hand in the Operating Reserve Subaccount at the Operating Reserve Requirement.

As provided in Section 5.02 of the General Resolution, no portion of the proceeds of the Series 2020E Bond shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2020E Bond were issued, (2) as part of a reasonably required reserve or replacement fund not in excess of ten percent (10%) of the proceeds of the Series 2020E Bond (or in a higher amount which the City establishes is necessary to the satisfaction of the Secretary of the Treasury of the United States), and (3) in addition to the above in an amount not greater than \$100,000. To this effect, any proceeds of the Series 2020E Bond and any sums from time to time held in the Fund (or any other City account which will be used to pay principal or interest to become due on the Series 2020E Bond) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods", "minor portion" or reserve made available under the federal arbitrage regulations. In addition, the proceeds of the Series 2020E Bond and money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Series 2020E Bond to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

(e) Allocation of Investment Earnings. Investment earnings, net of rebatable arbitrage, shall be credited to the fund or account from which the investment was made.

20. Senior and First Priority Lien with Respect to Ford Site Special Sewer Charges.

The City has formed the District in order to provide for the funding and operation of the Ford Site Stormwater Utility as a separate stormwater utility that is part of the City's larger Sewer System. The City has developed policies and procedures for the development of Green Infrastructure such as the Ford Site Stormwater Utility. The Ford Site Special Sewer Charges are unique charges that are being placed on the property in the Ford Site in connection with its redevelopment and such charges are not storm sewer system charges, sewer availability charges or other typical Sewer System charges or surcharges imposed on general users of the Sewer System. The residents in the City that live outside of the boundaries of the Ford Site are not subject to the Ford Site Special Sewer Charges. A schedule of the Ford Site Special Sewer Charges is set forth in Exhibit B attached hereto. The Purchaser shall have a first priority lien on the Ford Site Special Sewer Charges and no other Bonds or obligations may be issued on a parity with the Series 2020E Bond. The holders of the senior Parity Bonds do not have any claim on the Ford Site Special Sewer Charges and the Ford Site Special Sewer Charges are not to be used by the City to pay the debt service on any Parity Bonds.

21. Subordinate Bonds for the Pledge of System Revenues. To provide money for payment of the principal and interest on the Series 2020E Bond in the event that the Ford Site Special Sewer Charges are not sufficient for such purpose, the City hereby pledges to the payment of the Series 2020E Bond, on a subordinate and junior basis to Outstanding and future Parity Bonds, the Revenues of the Sewer System. The covenants made in Article V of the General Resolution shall apply to the Series 2020E Bond, except that paragraph 31 shall control and override Section 5.05 of the General Resolution. As provided in Section 5.05 of the General Resolution, each and all of the terms and provisions of this Resolution shall be and constitute a covenant on the part of the City to and with each and every Holder from time to time of the Series 2020E Bond. Additional Bonds with a parity or senior pledge of the Revenues of the Sewer System may be issued as provided in Article VI of the General Resolution. Suits by Bondholders, amendments and discharge with respect to the Revenues shall be governed by Article VII of the General Resolution; provided however that the

Ford Site Special Sewer Charge shall be handled specifically in the terms of this Resolution.

22. General Obligation Note; Priority; Sufficiency Finding. The General Obligation Note is hereby confirmed to have a priority of lien on Revenues on a parity with the Series 2020E Bond which pledge is subordinate and junior to the priority of lien of the Parity Bonds issued under the terms of the General Resolution, specifically the priority derived from their pledge of Revenues in the sixth use at Section 4.03(A) of the General Resolution. Pursuant to paragraph 10 of the Resolution authorizing the General Obligation Note, the Series 2020E Bond shall have a lien on Revenues that is on a parity with the General Obligation Note, specifically the priority derived from the pledge to the Series 2020E Bond of Revenues in the first use at Section 4.03(A) of the General Resolution. As required by said paragraphs 18 and 10, the City Council hereby finds, determines and declares that estimated Revenues of the Sewer System will be sufficient, with other sources and used in the order of the General Resolution, for payment of the General Obligation Note and the Series 2020E Bond.

23. No Funded Reserve Account. The Reserve Requirement for the Series 2020E Bond will be \$0 and the Series 2020E Bond, along with the Series 2020D Bonds, the Series 2019F Bonds, the Series 2018D Bonds, the Series 2017C Bonds and the Series 2016D Bonds, will not be secured by the Reserve Account that secures the other outstanding Parity Bonds. The Series 2020E Bond will never have any right to amounts on deposit in the Reserve Account.

24. Records and Certificates. As provided in Section 7.05 of the General Resolution, the officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Series 2020E Bond, certified copies of all proceedings and records of the City relating to the Series 2020E Bond 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 2020E Bond 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 2020E Bond, including the forms of the Series 2020E Bond may be executed and delivered by the Mayor, the City Clerk, and Director, Office of Financial Services, or their designees or executive assistants, or, in the case of the Mayor, the Deputy Mayor, as determined by Ballard Spahr LLP, as bond counsel to the City, and the Office of the City Attorney.

25. Negative Covenants as to Use of Proceeds and Ford Site Improvements. As provided in Section 5.03 of the General Resolution, the City hereby covenants not to use the proceeds of the Series 2020E Bond or to use the Improvements financed with the proceeds of the Series 2020E Bond, or to cause or permit them or any of them to be used, or to enter into any deferred payment arrangements for the cost of such improvements, in such a manner as to cause the Series 2020E Bond to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Series 2020E Bond that would cause them to be private activity bonds, and the average term of the Series 2020E Bond is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Series 2020E Bond in such a manner as to cause the Series 2020E Bond to be "hedge bonds" within the meaning of Section 149(g) of the Code.

26. Tax-Exempt Status of the Series 2020E Bond; Rebate; Elections. As provided in Section 5.04 of the General Resolution, the City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2020E Bond, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Series 2020E Bond, and the rebate of excess investment earnings to the United States.

The City expects that the two-year expenditure exception to the rebate requirements may apply to the construction proceeds of the Series 2020E Bond.

If any elections are available now or hereafter with respect to arbitrage or rebate matters relating to the Series 2020E Bond, the Mayor and Director, Office of Financial Services, or any of them, are hereby authorized and directed to make such elections as they deem necessary, appropriate or desirable in connection with the Series 2020E Bond, and all such elections shall be, and shall be deemed and treated as, elections of the City.

27. No Designation of Qualified Tax-Exempt Obligations. The Series 2020E Bond, together with other obligations issued by the City in 2020, exceed in amount those which may be qualified as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and hence are not designated for such purpose.

28. Negotiated Sale. The City has retained Ehlers and Associates, Inc. as an independent municipal advisor, and this Council has heretofore determined, and does hereby determine, to sell the Series 2020E Bond by private negotiation, all as provided by Minnesota Statutes, Section 475.60, Subdivision 2(9).

29. No Continuing Disclosure Requirement, but City to Comply with Existing Requirements. The City is not subject to 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 “Rule”), with respect to the Series 2020E Bond; provided, however, the City hereby agrees to comply with the filing requirements of its existing continuing disclosure undertakings for the outstanding Parity Bonds and make the required filings thereunder. The Purchaser may access the financial information relating to the Sewer System at the EMMA website maintained by the Municipal Securities Rulemaking Board while the Series 2020E Bond are outstanding. In the event annual audited financial statements for the City are not available from the Municipal Securities Rulemaking Board, the City shall provide such financial statements to the Purchaser within sixty (60) days after the City’s final acceptance thereof.

30. Override of General Resolution. The use of accrued interest, if any, on the Series 2020E Bond shall be as provided in paragraph 18, notwithstanding Section 4.04(B)(1) of the General Resolution.

In addition, as provided in paragraph 22, the Reserve Account will not be funded for the Series 2020E Bond and the Series 2020E Bond will not have any right, title or interest in the Reserve Account. The Reserve Requirement for the Series 2020E Bond will be \$0.

Notwithstanding Section 5.05 of the General Resolution, the terms and provisions of this Resolution shall be and constitute a covenant on the part of the City to and with only each and every Holder from time to time of the Series 2020E Bond.

31. Subordinate Bond Findings. It is hereby found, determined and declared that:

(a) The City does not have any outstanding bonds, warrants, certificates, or other obligations or evidences of indebtedness, or money borrowed for or on account of the Sewer System or indebtedness for which any of the Revenues of all or a part of the Sewer System have been pledged which are a prior lien on such Revenues, except the Parity Bonds.

(b) All payments required to be made prior to the date hereof into the various Funds and Accounts established by the General Resolution have been made.

(c) The proceeds of the Series 2020E Bond shall be used only for the purpose of funding the Project which is composed of Improvements to the Sewer System (as each of said terms is defined in the

General Resolution) but will be located wholly in the District.

(d) The annual Net Revenues of the Sewer System for each of the two (2) completed Fiscal Years immediately preceding the issuance of the Series 2020E Bond have been at least one and one-quarter (1.25) times, the maximum annual principal and interest coming due after June 1, 2019, on all Bonds (as defined in the General Resolution) having a parity of lien upon Revenues, including the subordinate and junior Series 2020E Bond proposed to be issued.

(e) This City Council, pursuant to advice from the Director, Department of Public Works, hereby finds, determines and declares that the estimated Revenues to be derived from the operation of the Sewer System during the term of the Series 2020E Bond will be more than sufficient to provide Net Revenues, which, together with the Ford Site Special Sewer Charges, are adequate to pay principal and interest when due on the Series 2020E Bond and on the Parity Bonds which are now outstanding and to maintain the Reserve Account required therefor.

(f) The Series 2020E Bond is a single term bond with a final maturity of June 1, 2030. The Series 2020E Bond has interest payments on each June 1 and December 1, commencing June 1, 2021.

32. Severability. As provided in Section 7.06 of the General Resolution, 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

33. Headings. As provided in Section 7.07 of the General Resolution, 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.