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Title: Authorizing the issuance of and awarding the sale of General Obligation Temporary Tax Increment Bonds, Series 2021B, and pledging tax increments for the payment thereof.

Sponsors: Amy Brendmoen

Indexes: Bond Sale

Code sections:

Attachments: 1. RES 21-355 Exhibit A_Final, 2. RES 21-355 Exhibit B_Final, 3. RES 21-355 Exhibit C_Final

Date	Ver.	Action By	Action	Result
3/26/2021	1	Mayor's Office	Signed	
3/24/2021	1	City Council	Adopted As Amended	Pass

Authorizing the issuance of and awarding the sale of General Obligation Temporary Tax Increment Bonds, Series 2021B, and pledging tax increments for the payment thereof.

WHEREAS, the City Council of the City of Saint Paul, Minnesota, a home rule charter city and political subdivision of the State of Minnesota (the "City") has heretofore determined that it is necessary and expedient to provide money to finance the expense of certain of the public costs of redevelopment within the land that is subject to the Ford Site Redevelopment Tax Increment Financing District (#322) (the "TIF District") established by the Housing and Redevelopment Authority of the City of Saint Paul (the "HRA") (the "Project"); and

WHEREAS, the HRA established the TIF District, being a tax increment financing district established as a redevelopment district under Minnesota Statutes, Section 469.174 to 469.179, as amended (the "Tax Increment Act"), pursuant to the Tax Increment Act and a resolution duly adopted by the Board of Commissioners of the HRA; and

WHEREAS, the TIF District being a redevelopment district as defined in Section 469.174, subdivision 10, of the Tax Increment Act, and a resolution adopted by the HRA and approved by the City, certain tax increment revenues (the "Tax Increments") are to be pledged to the payment of the City's General Obligation Temporary Tax Increment Bonds, Series 2021B (the "Series 2021B Bonds"), the City's outstanding General Obligation Temporary Tax Increment Bonds, Series 2020C (the "Series 2020C Bonds"), and any additional temporary bonds or definitive bonds issued to refinance the Series 2021B Bonds or the Series 2020C Bonds; and

WHEREAS, the City and the HRA previously entered into a tax increment pledge agreement in connection with the City's issuance of the Series 2020C Bonds and the City and the HRA will enter into an amended and restated tax increment pledge agreement for the Series 2021B Bonds, the Series 2020C Bonds, and other obligations and interfund loans to be incurred by the HRA and or the City which will pay for costs eligible to be financed by Tax Increments under the provisions of the Tax Increment Act, pledging certain Tax Increments from the TIF District to the Series 2021B Bonds and the other obligations set forth to be paid from Tax Increments under the terms of that certain Redevelopment Agreement by and among (as such may be amended or supplemented from time to time, the "Redevelopment Agreement") the City, the HRA, and Project

Paul, LLC, an affiliate of Ryan Companies (the “Developer”); and

WHEREAS, by a resolution adopted by the Board of Commissioners of the HRA on December 4, 2019, the HRA has previously approved the execution and delivery of a Tax Increment Pledge Agreement, to be dated on or after May 1, 2021 (as the same may be amended or supplemented from time to time, the “Pledge Agreement”), between the HRA and the City, pledging the Tax Increments to the payment of various obligations, including the Series 2021B Bonds and the Series 2020C Bonds; and

WHEREAS, the City is authorized by (i) the City’s home rule charter (the “City Charter”), (ii) the Tax Increment Act, and (iii) the provisions of Minnesota Statutes, Chapter 475, as amended (the “Municipal Debt Act”), including Section 475.61, Subd. 6 to issue general obligation tax increment bonds and temporary obligations not exceeding the total amount authorized, maturing in not more than three years from the date of such bonds in anticipation of the issuance of permanent obligations; and

WHEREAS, to the extent that the principal of and interest on the temporary obligations cannot be paid when due from other sources pledged or appropriated for the purpose, such temporary obligations shall be paid from the proceeds of permanent bonds or additional temporary bonds which the governing body shall offer for sale in advance of their maturity but the indebtedness funded by an issue of temporary bonds shall not be extended by the issue of additional temporary bonds for more than six years from the date of the first issue; and

WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), public sale requirements do not apply to the Series 2021B Bonds, because the City has retained an independent municipal advisor (Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”)) and this Council has determined to sell the Series 2021B Bonds by private negotiation, and the City has instead authorized a competitive sale without publication of notice thereof as a form of private negotiation; and

WHEREAS, on the date hereof, Baker Tilly MA, as municipal advisor to the City, solicited proposals for the purchase of the Series 2021B Bonds pursuant to a Preliminary Official Statement (the “Preliminary Official Statement”), and the Terms of Proposal (the “Terms of Proposal”) contained therein; and

WHEREAS, the City Council gave its preliminary approval to the issuance of the Series 2021B Bonds by adopting RES 21-119 on January 26, 2021; and

WHEREAS, the proposals to purchase the Series 2021B Bonds as set forth on EXHIBIT C attached hereto were received by the City pursuant to the Terms of Proposal on the date hereof; and

WHEREAS, the Director of the Office of Financial Services, has advised this Council that the proposal of the Purchaser was found to be the most advantageous and the Director, Office of Financial Services has recommended that the proposal of the Purchaser be accepted by the City.

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

Section 1. Sale of Series 2021B Bonds.

1.01. Purpose of the Series 2021B Bonds. The City is proposing to issue the Series 2021B Bonds, pursuant to the City Charter, the Tax Increment Act, and the Municipal Debt Act, in the original aggregate principal amount not to exceed a par amount of \$3,850,000, plus original issue premium of \$9,894.50 for a total of \$3,859,894.50, in order to (i) fund the cost of certain tax increment eligible public improvements in the TIF District; (ii) fund capitalized interest for the term of the Series 2021B Bonds; and (iii) pay costs of issuance relating to the Series 2021B Bonds.

1.02. Award of the Series 2021B Bonds. The proposal of Huntington Securities, Inc., on behalf of itself and a syndicate (the “Purchaser”), to purchase the Series 2021B Bonds of the City described in the

Terms of Proposal thereof is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Series 2021B Bonds at a price of \$3,853,927.00 (the principal amount of the Series 2021B Bonds (\$3,850,000.00), plus original issue premium of \$9,894.50, less a Purchaser discount of \$5,967.50), for Series 2021B Bonds is as set forth in EXHIBIT B hereto. The amount of Series 2021B Bonds authorized to be issued is the purchase price referenced in this Section 1.03 all of which will be applied to the purposes described in Section 1.01 above. The City retained the right to increase or reduce the principal amount of the Series 2021B Bonds from the proposed \$3,850,000, and the City has determined to retain the principal amount of the Series 2021B Bonds at \$3,850,000.

The Director, Office of Financial Services, or designee, is directed to retain the deposit of the Purchaser.

1.03. Execution of Purchase Agreement/Bid Form. The Director, Office of Financial Services or his designee, on behalf of the City, is directed to execute a purchase agreement or bid form relating to the Series 2021B Bonds with the Purchaser.

1.04. General Terms of the Series 2021B Bonds. The Series 2021B Bonds will be dated as of their date of issuance or shall be dated such other date as the City Treasurer may determine in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the City Treasurer may determine. The issuance, sale and delivery of the Series 2021B Bonds pursuant to the City Charter, the Tax Increment Act, and the Municipal Debt Act.

1.05. Issuance of Additional Temporary Bonds or Definitive Bonds. The holders of any of the Series 2021B Bonds shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of taxes that are granted by law to holders of permanent bonds, except the right to require the levies to be collected prior to the maturity of the Series 2021B Bonds. If any Series 2021B Bonds are not paid in full at maturity, the holders of the Series 2021B Bonds may require the issuance in exchange for them, at par, of new temporary bonds maturing within one year from their date of issue but not subject to any other maturity limitation, and bearing interest at the maximum rate permitted by law.

1.06. Redemption.

(a) Optional Redemption. The City may elect on March 1, 2022, and on any day thereafter, to redeem the Series 2021B Bonds. Optional redemptions of the Series 2021B Bonds 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 Series 2021B Bonds are called for redemption, the City will notify DTC (as defined herein) of the particular amount to be prepaid. DTC will determine by lot the amount of each participant's interest in the Series 2021B Bonds to be redeemed and each participant will then select by lot the beneficial ownership interests in the Series 2021B Bonds to be redeemed. All optional redemptions of the Series 2021B Bonds shall be at a price of par plus accrued interest to the redemption date.

(b) Reserved.

(c) Selection of Series 2021B Bonds to be Redeemed: Redemption Procedure. In the event any of the Series 2021B Bonds are called for redemption, notice thereof identifying the Series 2021B Bonds to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Series 2021B Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of Series 2021B Bonds. Series 2021B Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the Registrar at that time.

(d) Notice of Redemption. The Registrar shall call Series 2021B Bonds for optional redemption and prepayment as herein provided upon receipt by the Registrar at least forty-five (45) days prior to the redemption date of a request of the City, in written form if the Registrar is other than a City officer. Such request shall specify the series and principal amount of Series 2021B Bonds to be called for redemption and the redemption date.

Mailed notice of optional 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 2021B Bonds for redemption and prepayment prior to the stated maturity thereof, the Registrar shall give written notice in the name of the City of its intention to redeem and pay such Series 2021B Bonds at the office of the Registrar. Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than twenty (20) days prior to the redemption date, to each Holder of Series 2021B Bonds to be redeemed, at the address appearing in the Bond Register. All notices of optional redemption shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all outstanding Series 2021B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2021B Bonds to be redeemed; (iv) that on the optional redemption date, the redemption price will become due and payable upon the Series 2021B Bonds, and that interest thereon shall cease to accrue from and after said date; (v) the place where such Series 2021B Bonds are to be surrendered for payment of the redemption price (which shall be the office of the 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 2021B Bonds 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.

Notices to DTC or its nominee shall contain the CUSIP number of the Series 2021B Bonds. If there are any Holders of the Series 2021B Bonds other than DTC or its nominee, the Registrar shall use its best efforts to deliver any such notice to DTC on the business day next preceding the date of mailing of such notice to all other Holders.

Section 2. Registration and Payment.

2.01. Registered Form. The Series 2021B Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Series 2021B Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. The Series 2021B Bonds shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2021B 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 2021B 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 2021B Bonds will be dated as of the date of original issue. The Series 2021B Bonds shall mature on such date and in such principal amount as indicated on EXHIBIT B attached hereto. The Series 2021B Bonds shall bear interest at the rate per annum as indicated on EXHIBIT B attached hereto and shall be payable on each [March 1 and September 1, commencing on March 1, 2022], calculated from their date of issuance on the basis of a 360-day year of twelve thirty-day months. The interest on the Series 2021B 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.

2.03. Registrar. The City Treasurer is hereby appointed as the initial bond registrar and paying agent (the "Registrar" and the "Paying Agent") for the Series 2021B 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 2021B Bonds shall be paid to the registered holder or holders of the Series 2021B Bonds (the "Holder" or "Holders") in the manner set forth in the form of the Series 2021B 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 2021B Bonds and the registration of transfers and exchanges of the Series 2021B Bonds entitled to be registered, transferred, or exchanged.

(b) *Transfer of Series 2021B Bonds.* Upon surrender for transfer of a Series 2021B 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 2021B 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 (15th) day of the month preceding each interest payment date and until that interest payment date.

(c) *Exchange of Series 2021B Bonds.* When Series 2021B Bonds are surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2021B 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 2021B 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 2021B Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2021B Bond until the Registrar is satisfied that the endorsement on the Series 2021B 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 2021B Bond is registered in the bond register as the absolute owner of the Series 2021B Bond, whether the Series 2021B Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2021B 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 2021B 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 a Series 2021B 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 2021B Bond.* If a Series 2021B Bond becomes mutilated or is destroyed, stolen, or lost, the Registrar shall deliver a new Series 2021B Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Series 2021B Bond or in lieu of and in substitution for any Series 2021B 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 2021B Bond destroyed, stolen, or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2021B 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 2021B 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 2021B Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Series 2021B Bond prior to payment.

2.04. Execution, Authentication and Delivery. The Series 2021B Bonds shall be prepared under the direction of its Mayor, City Clerk and Director, Office of Financial Services, or their respective designees, provided that all signatures may be printed, engraved, or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Series 2021B Bonds ceases to be such officer before the delivery of any Series 2021B Bond, that signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Series 2021B Bond shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Series 2021B Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2021B Bonds need not be signed by the same representative. The executed certificate of authentication on a Series 2021B Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2021B Bonds have been so prepared, executed, and authenticated, the City shall deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

2.05. Temporary Series 2021B Bonds. The City may elect to deliver, in lieu of printed definitive Series 2021B Bonds, one or more typewritten temporary Series 2021B Bonds in substantially the form set forth in EXHIBIT A with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Upon the execution and delivery of definitive Series 2021B Bonds, the temporary Series 2021B Bonds shall be exchanged therefor and cancelled.

Section 3. Form of the Series 2021B Bonds.

3.01. Printing of Series 2021B Bonds. All of the provisions of the Series 2021B 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 2021B 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 2021B Bonds, the stated maturity of the Series 2021B Bonds, the interest rate on the Series 2021B Bonds, the terms of redemption of the Series 2021B Bonds, and variation from City policies regarding methods of offering general obligation bonds) as the City Treasurer and Director, Office of Financial Services, or their respective deputies, in their discretion, shall determine. The execution of the Series 2021B Bonds with the manual or facsimile signatures of the Mayor, City Clerk and Director, Office of Financial Services, or their respective deputy, and the delivery of the Series 2021B Bonds by the City shall be conclusive evidence of such determination.

3.02. Approving Legal Opinion. The City Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Ballard Spahr LLP, which shall be complete except as to dating thereof and cause the opinion to accompany the Series 2021B Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Bond Funds.

(a) *Bond Fund.* There has heretofore been created a special fund of the City designated the "Series 2021B Bond Fund" (the "Series 2021B Bond Fund" or 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 2021B Bonds, and to make adequate and specific security to the Purchaser and holders from time to time of the Series 2021B 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 2021B Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Construction Account" and "Debt Service Account", respectively.

(i) Construction Account. All proceeds of the sale of the Series 2021B Bonds other than amounts representing accrued interest and capitalized interest have heretofore been deposited in the Construction Account. There shall also be credited to said account the proceeds received from the sale of the Series 2021B Bonds less such amount, together with other funds then on hand irrevocably appropriated to the Debt Service Account, as is necessary to pay the principal of, and interest on the Series 2021B Bonds. The Construction Account shall be used to pay costs of issuing the Series 2021B Bonds (which the City may do directly without the request or direction of the HRA) and to pay costs of the Project on the request and direction of the HRA, when the HRA is acting in accordance with the Development Agreement or Tax Increment Plan. The moneys in the Construction Account shall be used solely for the purposes set forth herein and for no other purpose. Any excess in the Construction Account after the payment of the costs of the Project and the costs of issuing the Series 2021B Bonds shall be deposited in the Debt Service Account.

(ii) Debt Service Account. To the Debt Service Account there is hereby pledged and irrevocably appropriated and there shall be credited: (1) all accrued interest on the Series 2021B Bonds, if any; (2) all capitalized interest funded with proceeds of the Series 2002C Bonds; (3) tax increments, if any, derived from the TIF District and received by the City pursuant to the Pledge Agreement, subject to any other pledges of such Tax Increments and provided that Tax Increments as set forth in the Pledge Agreement; (4) any collections of all taxes hereafter levied for the payment of the Series 2021B Bonds and interest thereon; (4) any amounts transferred from the Construction Account; (5) all investment earnings on funds in the Debt Service Account; (6) the proceeds of any additional temporary or definitive bonds issued by the City to refinance the Series 2021B Bonds; and (7) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The money in the Debt Service Account shall be used solely to pay the principal and interest on any interest payment date and at maturity of the Series 2021B Bonds or to pay any rebate due to the United States.

(b) *Arbitrage Restrictions.* The money in the Bond Fund shall be used solely as provided herein, or to pay any rebate due to the United States. No portion of the proceeds of the Series 2021B Bonds 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 (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Series 2021B Bonds were issued, and (ii) in addition to the amounts referred to in clause (i) in an amount not greater than \$100,000. To this effect, any proceeds of the Series 2021B Bonds and any sums from time to time held in the Debt Service Account allocated to the Series 2021B Bonds (or any other City account which will be used to pay principal or interest to become due on the Series 2021B Bonds) 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" or "minor portion" made available under the federal arbitrage regulations. In addition, the proceeds of the Series 2021B Bonds and money allocated to the Series 2021B Bonds in the Debt Service Account shall

not be invested in obligations or deposits issued by, guaranteed by, or insured by the United States of America, or any agency or instrumentality thereof, if and to the extent that such investment would cause the Series 2021B Bonds to be deemed to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(c) *Allocation of Investment Earnings.* Unless otherwise directed in writing by the City Treasurer, Investment earnings, net of rebatable arbitrage, shall be credited to the fund or account from which the investment was made.

(d) *Other Accounts and Subaccounts.* The City Treasurer is 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 paragraphs, and Sections 19 and 20 hereof. Specifically, the City Treasurer may create separate accounts and subaccounts to hold and apply the proceeds of the Series 2021B Bonds and revenues pledged to payment thereof.

4.02. Pledge of Tax Increments; Additional Temporary Bonds and Definitive Bonds; Coverage Test. Tax Increments (subject to the terms of the Pledge Agreement and this Resolution) are hereby pledged to the payment of at least 20% of the debt service of the additional temporary bonds or definitive bonds to be issued in the future by the City to the refinancing of the Series 2021B Bonds and the interest thereon, and the City shall issue additional temporary bonds or definitive bonds or use other funds, if any, appropriated for such purpose by the City Council of the City. The capitalized interest funded from proceeds of the Series 2021B Bonds and the proceeds of additional temporary bonds or definitive bonds or other funds, if any, appropriated by the City Council for such purpose, together with any necessary Tax Increments and the proceeds of the Tax (as defined herein) shall be sufficient to pay one hundred five percent (105%) of the principal and interest requirements of the Series 2021B Bonds. The estimated amount of Tax Increments to be received over the term of the Series 2021B Bonds and additional temporary bonds or definitive bonds to be issued to refinance the Series 2021B Bonds are estimated such that at least twenty percent (20%) of the total amount to be paid as principal and interest on the Series 2021B Bonds, additional temporary bonds, and any definitive 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 Bond Fund. In the event that it is anticipated that the aggregate amount in (or to be timely received in) the Bond Fund will not be sufficient to pay principal of and interest on the Series 2021B 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 (which may be proceeds of additional temporary bonds or definitive bonds anticipated to be issued by the City), to be necessary to pay the principal of, and interest on, the Series 2021B Bonds to become due during such period.

4.03. Tax Increments; Approval of Pledge Agreement. The County Auditor has previously certified the original tax capacity of real property within the TIF District. Under the provisions of Section 469.177 of the Tax Increment Act, the County Auditor will remit to the HRA as Tax Increments that portion of the taxes paid each year on real property in the TIF District which represents the taxes on captured tax capacity (being tax capacity of the property less said original tax capacity) provided that the HRA shall request that the County Auditor remit such funds directly to the City Treasurer. Tax Increments are pledged to the Series 2021B Bonds, the Series 2020C Bonds, and future additional temporary bonds or definitive bonds issued to refinance the Series 2021B Bonds and the Series 2020C Bonds as provided in the Pledge Agreement and Tax Increments not necessary under the terms of the Pledge Agreement may be used for any proper purpose of the City or the HRA allowable under the terms of the Tax Increment Act and the Redevelopment Agreement.

Prior to issuance of the Series 2021B Bonds, the City and HRA shall enter into the Pledge Agreement which amends and restates the prior tax increment pledge agreement entered into in connection with the issuance of the Series 2020C Bonds. 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 2021B Bonds, the

Series 2020C 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 2021B Bonds, the Series 2020C Bonds, or otherwise impair the validity of the Series 2021B Bonds or the City's full faith and credit pledge to the Series 2021B Bonds and the Series 2020C 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, City Clerk, and Director, Office of Financial Services, or their respective 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 and Ballard Spahr LLP, as bond counsel to the City. So long as the Series 2021B Bonds remain outstanding, the City shall comply with the provisions of the Pledge Agreement as from time to time supplemented or amended.

4.04. General Obligation Pledge. If amounts on deposit in the Debt Service Account of the Bond Fund are not sufficient to pay principal and interest on the Series 2021B Bonds, as the same 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 of the Bond Fund is ever insufficient to pay all principal and interest then due on the Series 2021B 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 from the Debt Service Account of the Bond Fund when a sufficient balance is available therein.

4.05. Filing of Resolution. The City Treasurer is authorized and directed to file a certified copy of this Resolution and the Pledge Agreement with the Auditor of Ramsey County (the "Auditor") (or the official of Ramsey County performing the functions of the Auditor) and to obtain the certificate required by Section 475.63 of the Municipal Debt Act, as amended.

4.06. Negative Covenants as to Use of Proceeds and Improvements. The City hereby covenants not to use (or permit the HRA to use) the proceeds of the Series 2021B Bonds or to use (or permit the HRA to use) the public infrastructure improvements financed with the proceeds of the Series 2021B Bonds, or to cause or permit (or permit the HRA to cause or permit) them or any of them to be used, or to enter into (or permit the HRA to enter into) any deferred payment arrangements for the cost of such public infrastructure improvements, in such a manner as to cause the Series 2021B Bonds to be "private activity bonds" within the meaning of Section 103 and Sections 141 through 150 of the Code. The City hereby covenants not to use (or to permit the HRA to use) the proceeds of the Series 2021B Bonds in such a manner as to cause the Series 2021B Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Code.

4.07. General Obligation Pledge. If amounts on deposit in the Series 2021B Debt Service Fund are not sufficient to pay principal and interest on the Series 2021B Bonds, as the same 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 Series 2021B Debt Service Fund is ever insufficient to pay all principal and interest then due on the Series 2021B 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 from the Series 2021B Debt Service Fund when a sufficient balance is available therein.

Section 5. Authentication of Transcript.

5.01. Furnishing of Documents. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to Ballard Spahr LLP, as bond counsel to the City, certified copies of proceedings and records of the City relating to the Series 2021B Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Series 2021B Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. Negotiated Sale. The City has retained Baker Tilly MA as an independent municipal advisor, and the City has heretofore determined, and hereby determines, to sell the Series 2021B Bonds by private negotiation, all as provided by Section 475.60, Subdivision 2(9) of the Municipal Debt Act.

6.03. Official Statement. There have been submitted to this City Council the form of the Pledge Agreement between the City and the HRA and the Preliminary Official Statement. The use and distribution of the Preliminary Official Statement and of a final Official Statement (collectively, the "Official Statement") by the Purchaser in connection with the offer and sale of the Series 2021B Bonds is hereby approved. The Mayor, Director, Office of Financial Services, and City Treasurer (or their proper designees) are authorized and directed to certify that they have examined the Official Statement, and that to the best of their knowledge and belief 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 will 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 light of the circumstances under which they were made, not misleading.

Section 6. Tax Covenants.

6.01. Tax-Exempt Series 2021B Bonds. The City covenants and agrees with the holders from time to time of the Series 2021B Bonds that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Series 2021B Bonds to become includable in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Series 2021B Bonds.

6.02. Compliance with Code. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Series 2021B Bonds under Section 103 of the Code, including, without limitation, requirements relating to temporary periods for investments and limitations on gross proceeds invested at a yield greater than the yield on the Series 2021B Bonds.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Series 2021B Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Series 2021B Bonds to be deemed to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Series 2021B Bonds will be initially issued in the form of a single typewritten or printed fully registered Series 2021B Bond set forth on EXHIBIT B attached hereto. Upon initial issuance, the ownership of the Series 2021B 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 2021B Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Series 2021B 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 2021B Bonds as securities depository ("Participants") or to any other person on behalf of which a Participant holds an interest in the Series 2021B 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 2021B Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Series 2021B Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Series 2021B Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2021B Bonds, of any amount with respect to principal of, premium, if any, or interest on the Series 2021B Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2021B Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2021B Bond for the purpose of payment of principal, premium and interest with respect to such Series 2021B Bond, for the purpose of registering transfers with respect to such Series 2021B Bonds, and for all other purposes. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2021B 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 2021B Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Series 2021B Bond, as shown in the registration books kept by the Registrar, will receive a certificated Series 2021B 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.

7.03. 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 2021B Bonds and notices with respect to the Series 2021B Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Series 2021B 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.

7.04. 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 2021B Bonds that they be able to obtain Series 2021B Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Series 2021B Bond certificates. In such event the City will issue, transfer and exchange Series 2021B 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 2021B 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 2021B Bond certificates in accordance with this Resolution and the provisions hereof shall apply to the transfer, exchange and method of payment thereof.

7.05. Payments to DTC. Notwithstanding any other provision of this Resolution to the contrary, so long as the Series 2021B 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 2021B Bond and all notices with respect to the Series 2021B Bond shall be made and given, respectively, in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Defeasance. When all Series 2021B Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the holders of the Series 2021B Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Series 2021B Bonds will remain in full force and effect. The City may discharge all Series 2021B Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment, including interest earned thereon, in full of the Series 2021B Bonds. If any Series 2021B Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 9. No Designation of Qualified Tax Exempt Obligations. The Series 2021B Bonds, together with other obligations issued by the City in 2021, 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.

Section 10. 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 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 and Ballard Spahr LLP, as bond counsel to the City.

Section 11. 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.

Section 12. 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.