

CITY OF SHAKOPEE

RESOLUTION NO. R2018-012

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF
CERTAIN COSTS IN CONNECTION WITH PROPOSED TAX INCREMENT
FINANCING DISTRICT

WHEREAS, the City of Shakopee, Minnesota (the “City”) and the Economic Development Authority for the City of Shakopee, Minnesota (the “Authority”) intend to establish Tax Increment Financing District No. 18 (the “TIF District”) within the Minnesota River Valley Housing and Development Project No. 1 (the “Project”) pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), and will adopt a Tax Increment Financing Plan for the purpose of financing certain improvements within the Project; and

WHEREAS, the Authority will administer the TIF District; and

WHEREAS, the Authority has determined to pay for certain administrative costs related to the proposed TIF District (the “Qualified Costs”), which costs may be financed on a temporary basis from City or Authority funds available for such purposes; and

WHEREAS, under Section 469.178, subdivision 7 of the TIF Act, the City is authorized to advance or loan money from the City’s general fund or any other fund from which such advances may be legally authorized in order to finance the Qualified Costs; and

WHEREAS, the City will loan funds from its Capital Improvement Fund, or any other fund designated by the City, to the Authority to finance the Qualified Costs (the “Interfund Loan”) in accordance with the terms of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shakopee, that:

1. The City hereby authorizes the advance of up to \$300,000 from the Capital Improvement Fund, or from any other fund designated by the City, or so much thereof as may be paid as Qualified Costs, contingent upon the approval of the Interfund Loan by the Board of Commissioners of the Authority. The terms of the Interfund Loan shall be those set forth in the resolution to be adopted by the Board of Commissioners of the Authority on the date hereof.

2. The Interfund Loan is repayable solely from and to the extent that Available Tax Increment is available. “Available Tax Increment” means, on each Payment Date (as defined herein), all of the tax increment generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the Authority by Scott County, Minnesota, all in accordance with the TIF Act. Payments on the Interfund Loan are on parity with any outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

3. Provided that there is Available Tax Increment to repay the Interfund Loan to the City, principal and interest ("Payments") on the Interfund Loan shall be paid semiannually on February 1 and August 1 (each a "Payment Date"), commencing on the first Payment Date after the advance of the Interfund Loan. Payments shall continue until the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District. Payments on the Interfund Loan will be made in the amount and only to the extent of Available Tax Increment. Payments shall be applied first to accrued interest, and then to unpaid principal.

4. The City may at any time determine to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

5. The City may from time to time amend the terms of this resolution, including amendments to the terms of and the Interfund Loan entered into under this resolution. However, the Mayor and City Administrator may initiate, prepay, terminate, or modify the terms of the Interfund Loan authorized under this resolution without further action by the City Council, so long as such actions are consistent with the terms for the Interfund Loan described in this resolution.

6. City staff and officials are hereby authorized and directed to execute any documents and take any other actions necessary to carry out the intent of this resolution.

7. This resolution shall be in full force and effect from and after its approval.

Approved by the City Council of the City of Shakopee this 6th day of February, 2018.

Mayor

ATTEST:

City Clerk