

CITY OF SHAKOPEE, MINNESOTA

RESOLUTION NO. R2020-111

APPROVING THE PLEDGE OF THE GENERAL OBLIGATION OF THE CITY OF SHAKOPEE, MINNESOTA TO REIMBURSE SCOTT COUNTY, MINNESOTA FOR THE PAYMENT OF THE GOVERNMENTAL DEVELOPMENT REFUNDING BONDS (SCOTT COUNTY, MINNESOTA UNLIMITED TAX GENERAL OBLIGATION – NORTHRIDGE COURT PROJECT), SERIES 2020B, TO BE ISSUED BY THE SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY; AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), the Scott County Community Development Agency (the “Agency”) is authorized to undertake housing development projects and to acquire and construct multifamily rental housing for the purpose of providing housing for elderly persons and for persons and families of low and moderate income and to issue general obligation bonds to finance or refinance such qualified housing development projects; and

WHEREAS, on April 26, 2012, the Agency issued its Governmental Refunding Bonds (Scott County, Minnesota – Unlimited Tax General Obligation – Northridge Project), Series 2012B (the “Refunded Bonds”), dated as of April 15, 2012, in the original aggregate principal amount of \$5,885,000, and used the proceeds thereof to refinance the acquisition, construction, and equipping by the Agency of a 58-unit rental housing facility for seniors located at 101 Fuller Street North, Shakopee, Minnesota, known as Northridge Court (the “Project”); and

WHEREAS, the Refunded Bonds were issued pursuant to the Act and an Indenture of Trust, dated as of April 1, 2012, between the Agency and U.S. Bank National Association, as trustee, and consented to by Scott County, Minnesota (the “County”) and the City of Shakopee, Minnesota (the “City”); and

WHEREAS, in connection with the issuance of the Refunded Bonds, and in accordance with Section 469.034, subdivision 2 of the Act, as then in effect, the County pledged the full faith and credit of the County to the payment of debt service of the Refunded Bonds, and the City pledged the full faith and credit of the City to reimburse the County for the County’s payment of debt service of the Refunded Bonds; and

WHEREAS, in connection with the issuance of the Refunded Bonds, the Board of Commissioners of the County adopted a resolution approving the issuance of the Refunded Bonds by the Agency and pledging the full faith and credit of the County for the payment of debt service of the Refunded Bonds in accordance with Section 469.034, subdivision 2 of the Act; and

WHEREAS, in connection with the issuance of the Refunded Bonds, the City Council of the City adopted a resolution approving the issuance of the Refunded Bonds by the Agency and pledging the full

faith and credit of the City to reimburse the County for the County's payment of debt service of the Refunded Bonds in accordance with Section 469.034, subdivision 2 of the Act, as then in effect; and

WHEREAS, the Refunded Bonds are currently outstanding in the principal amount of \$4,260,000, of which \$4,015,000 in principal amount is subject to redemption on or after February 1, 2021, at a price of par plus accrued interest; and

WHEREAS, the Agency is proposing to issue its Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Northridge Court Project), Series 2020B (the "Bonds"), in the maximum principal amount of \$4,500,000, pursuant to the Act, including Section 475.67, subdivision 3, in order to refinance the Project through the defeasance, redemption, and prepayment of the outstanding Refunded Bonds on or after February 1, 2021; and

WHEREAS, the City desires to extend its support to the Project by pledging its general obligation to reimburse the County for the County's payment of debt service of the Bonds pursuant to Section 469.034 of the Act; and

WHEREAS, pursuant to Section 469.034, subdivision 2(f) of the Act, no further public hearings are required to be held by the County or the City when issuing refunding bonds under Section 469.034, subdivision 2 of the Act; and

WHEREAS, to consider the general obligation pledge of the City, the City Council of the City must approve the principal amount of the Bonds to be issued by the Agency in accordance with Section 469.034, subdivision 2(b) of the Act; and

WHEREAS, on September 8, 2020, the Board of Commissioners of the Agency adopted a resolution providing preliminary approval to the issuance of the Bonds to defease, redeem, and prepay the outstanding Refunded Bonds; and

WHEREAS, on October 6, 2020, the Board of Commissioners of the County is expected to adopt a resolution to support the Project by pledging the County's general obligation to the Bonds pursuant to Section 469.034 of the Act for the purpose of providing and maintaining affordable rental housing for elderly persons in the City; and

WHEREAS, there has been presented before this City Council (i) a form of an Indenture of Trust (the "Indenture") proposed to be entered into between the Agency and U.S. Bank National Association, as trustee, and to be consented to by the County and the City; and (ii) a form of Amended and Restated Joint Powers Agreement (the "Joint Powers Agreement") proposed to be entered into between the Agency, the County, and the City;

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

1. The City hereby approves the issuance of the Bonds by the Agency. The general obligation of the City is hereby pledged to reimburse the County for its payment of debt service of the Bonds in the maximum principal amount of \$4,500,000 (the "Reimbursement Limit") to be issued by the Agency to (i) defease, redeem, and prepay the outstanding Refunded Bonds and thereby refinance the Project; (ii) to fund required reserves; and (iii) to pay costs of issuance of the Bonds; provided, however, that the County approves the issuance of the Bonds by the Agency and the pledge of its general obligation

to the repayment of the Bonds. The Reimbursement Limit, plus the outstanding principal amount of bonds issued pursuant to Section 469.034, subdivision 2 of the Act to which the City's full faith and credit has been pledged does not exceed the greater of (a) one-half of one percent of the estimated market value of the City or (b) \$5,000,000.

2. The Mayor and the City Administrator, or their designees, are hereby authorized and directed to execute and deliver the Indenture and the Joint Powers Agreement in the name and on behalf of the City. The Indenture and the Joint Powers Agreement shall be substantially in the forms on file with the City which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Mayor and the City Administrator, in their discretion, shall determine, and the execution thereof by the Mayor and the City Administrator shall be conclusive evidence of such determination.

3. The pledge of the City's full faith and credit to reimburse the County for the payment of the Bonds is hereby approved, subject to the Reimbursement Limit and the terms of Section 469.034, subdivision 2 of the Act.

4. The Mayor and the City Administrator are authorized to take any other action and execute any documents and closing certificates deemed necessary to carry out the intentions of the resolution, including but not limited to a general certificate of the City.

5. The electronic signature of the Mayor, the City Administrator, and/or the City Clerk to this resolution, the Indenture, the Joint Powers Agreement, and any certificate or other document authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

6. This resolution shall be contingent upon the approval of the issuance of the Bonds by the Agency and the approval of the general obligation pledge of the County to the payment of debt service of the Bonds.

Approved by the City Council of the City of Shakopee this 15th day of September, 2020.

Mayor

ATTEST:

City Clerk

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