

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF MARSHALL, MINNESOTA**

RESOLUTION NUMBER 22-_____

**RESOLUTION APPROVING CONTRACT FOR PRIVATE DEVELOPMENT WITH BLOCK 11
MARSHALL, LLC AND AUTHORIZING THE ISSUANCE OF
UP TO THREE TAXABLE TAX INCREMENT REVENUE NOTES**

WHEREAS, the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the “Authority”) previously established Redevelopment Project No. 1 (the “Redevelopment Project”) located within the City of Marshall, Minnesota (the “City”) and created a Redevelopment Plan (the “Redevelopment Plan”) therefor, pursuant to the HRA Act; and

WHEREAS, the City and the Authority have determined to modify the Redevelopment Plan and approve a tax increment financing plan (the “TIF Plan”) relating to the creation of a new tax increment financing district within the Redevelopment Project designated as Tax Increment Financing (Redevelopment) District No. 1-15 (the “TIF District”), a redevelopment district to be established within the Redevelopment Project, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the HRA has received a proposal from Block 11 Marshall, LLC, a Minnesota limited liability company (the “Developer”), that the HRA assist the Developer in financing the construction of a mixed-use project, in three (3) phases, including approximately 83 residential rental apartment units, comprised of 69 1-bedroom units and 14 two-bedroom units, and 8,840 square feet of commercial space, to be completed, owned and operated by the Developer (the “Project”); and

WHEREAS, the HRA has determined that it is reasonable and necessary for the HRA to provide certain financial assistance to the Developer in order to facilitate the Developer’s plans for the Project, and to that end, caused to be prepared a Contract for Private Development (the “Development Agreement”) between the Authority and the Developer, pursuant to which the Developer will agree to construct the Project, and the Authority will agree to reimburse the Developer for certain Public Development Costs associated with the Project (the “Public Development Costs”); and

WHEREAS, pursuant to Minnesota Statutes, Section 469.178, the Authority is authorized to issue and sell its bonds for the purpose of financing a portion of the Public Development Costs, and such bonds shall be payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds; and

WHEREAS, pursuant to the Development Agreement, the Authority has proposed to issue up to three (3) taxable tax increment revenue notes to the Developer (the “TIF Notes”) in connection with each phase of the Project, in the maximum principal amount of \$491,600 for each TIF Note (or a maximum principal amount of \$1,474,800 for all three TIF Notes), to reimburse the Developer for the Public Development Costs.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota as follows:

Section 1. The Development Agreement. The Development Agreement is hereby in all respects authorized, approved, and confirmed, and the Chair and the Executive Director are hereby authorized

and directed to execute the Development Agreement for and on behalf of the Authority in substantially the form now on file with the Executive Director but with such modifications as shall be deemed necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

Section 2. The TIF Notes.

2.01. The Authority hereby approves and authorizes the Chair and Executive Director to execute the TIF Notes upon the Executive Director's determination that the conditions for issuance of each TIF Note set forth in Section 3.2 of the Development Agreement have been met. Each TIF Note shall be sold to the Developer with such terms provided in the Development Agreement. The Authority hereby delegates to the Executive Director the determination of the date on which each TIF Note is to be delivered.

2.02. Each TIF Note shall be in substantially the form set forth in Exhibit D attached to the Development Agreement, with the blanks to be properly filled in and the principal amount and payment schedule adjusted as of the date of issue.

2.03. Each TIF Note shall be issued as a single typewritten note numbered R-1. The TIF Notes shall be issuable only in fully registered form. Principal of each TIF Note shall be payable by check or draft issued by the registrar described herein. Principal of each TIF Note shall be payable by mail to the owner of record thereof as of the close of the last business day preceding the Payment Date (as defined in the Development Agreement).

2.04. The Authority hereby appoints the Executive Director of the Authority to perform the functions of registrar, transfer agent and paying agent (the "Registrar") for the TIF Notes. The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of each TIF Note and the registration of transfers and exchanges of each TIF Note.

(b) Upon surrender for transfer of a TIF Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably 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, a new TIF Note or TIF Notes of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the TIF Notes shall not be transferred to any person other than an affiliate, or other related entity, of the Developer unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter submitted by the Developer or a certificate of the transferor, in a form satisfactory to the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Any TIF Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) If a TIF Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such TIF Note or separate instrument of transfer is

legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) The Authority and the Registrar may treat the person in whose name a TIF Note is at any time registered in the bond register as the absolute owner of such TIF Note, whether the TIF Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of such TIF Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such TIF Note to the extent of the sum or sums so paid.

(f) For every transfer or exchange of a TIF Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) In case a TIF Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new TIF Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated TIF Note or in lieu of and in substitution for such TIF Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a TIF Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such TIF Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. Any TIF Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed TIF Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new TIF Note prior to payment.

2.05. The TIF Notes shall be prepared under the direction of the Executive Director and shall be executed on behalf of the Authority by the signatures of its Chair and Executive Director. In case any officer whose signature shall appear on a TIF Note shall cease to be such officer before the delivery of such TIF Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When a TIF Note has been so executed, it shall be delivered by the Executive Director to the Developer in accordance with the Development Agreement.

Section 3. Security Provisions of the TIF Notes.

3.01. The Authority hereby pledges to the payment of the principal of each TIF Note Pledged Tax Increments (as defined in the Development Agreement and as further described in each TIF Note). Pledged Tax Increments shall be applied to payment of the principal of each TIF Note in accordance with the terms of Development Agreement and the form of such TIF Note.

3.02. Until the date the each TIF Note is no longer outstanding and no principal thereof (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain a separate and special "Bond Fund" for the TIF Notes to be used for no purpose other than the payment of the principal of each TIF Note. The Authority irrevocably agrees to appropriate to the Bond Fund in each year Pledged Tax Increments, subject to the terms of the Development Agreement. Any Pledged Tax Increments remaining in the Bond Fund shall be transferred to the Authority's account for the TIF District upon the payment of all principal to be paid with respect to each TIF Note.

Section 4. Miscellaneous.

4.01. The Chair and the Executive Director are hereby authorized to execute and deliver to the Developer any and all documents deemed necessary to carry out the intentions of this resolution and the Development Agreement.

4.02. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Developer certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of each TIF Note 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 Authority as to the facts recited therein.

4.03. The approval of the Development Agreement is contingent upon the City's approval of the establishment of the TIF District and the related documents.

4.04. This resolution shall be effective upon full execution of the Development Agreement.

Adopted by the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota this ____ day of _____, 2022.

**HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
MARSHALL, MINNESOTA**

Robert J. Byrnes
Chair

Attest:

Sharon Hanson
Executive Director