

Agenda

Minnetonka City Council

Regular Meeting, Monday, Nov. 18, 2019

6:30 p.m.

Council Chambers

1. Call to Order
2. Pledge of Allegiance
3. Roll Call: Carter-Happe-Bergstedt-Ellingson-Calvert-Schack-Wiersum
4. Approval of Agenda
5. Approval of Minutes:
 - A. October 7, 2019 regular council meeting
6. Special Matters:
 - A. Virtual tour of redesigned city website
7. Reports from City Manager & Council Members
8. Citizens Wishing to Discuss Matters Not on the Agenda
9. Bids and Purchases: None
10. Consent Agenda - Items Requiring a Majority Vote:
 - A. Resolution establishing polling places for the 2020 Presidential Nomination Primary, State Primary and General Election

Recommendation: Adopt the resolution (4 votes)
 - B. Resolution approving the final plat of INVERNESS WYOLA ADDITION, a two-lot subdivision at 13321 Inverness Road

Recommendation: Adopt the resolution approving the final plat (4 votes)
 - C. Announcement of closed meeting to discuss labor negotiation strategies on November 25, 2019 at 6:00 p.m. in the Gray's Bay Conference Room

Recommendation: Schedule the closed meeting
11. Consent Agenda - Items Requiring Five Votes: None

Minnetonka City Council meetings are broadcast live on Comcast: channel 16 (SD), channel 859 (HD); CenturyLink Prism: 238 (SD), 1238 (HD).

Replays of this meeting can be seen during the following days and times: Mondays, 6:30 p.m., Wednesdays, 6:30 p.m., Fridays, 12 p.m., Saturdays, 12 p.m. The city's website also offers video streaming of the council meeting.

For more information, please call 952.939.8200 or visit eminnetonka.com

12. Introduction of Ordinances:
 - A. Ordinance amending Section 710 of the city code regarding increases/changes in fees

Recommendation: Introduce the ordinance (4 votes)
13. Public Hearings: None
14. Other Business:
 - A. Resolution authorizing the certification of delinquent water and sanitary sewer charges to the Hennepin County Auditor

Recommendation: Adopt the resolution (4 votes)
 - B. Items related to the Cloud 9 Condominium's Housing Improvement Area

Recommendation: Adopt the resolution (5 votes)
 - C. Resolution for the Opus Area Improvements project

Recommendation: Adopt the resolution (Majority vote)
15. Appointments and Reappointments: None
16. Adjournment

**Minutes
Minnetonka City Council
Monday, October 7, 2019**

1. Call to Order

Mayor Brad Wiersum called the meeting to order at 6:30 p.m.

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members Bob Ellingson, Deb Calvert, Rebecca Schack, Susan Carter, Mike Happe, Tim Bergstedt and Mayor Brad Wiersum were present.

4. Approval of Agenda

Calvert moved, Happe seconded a motion to accept the agenda with addenda to Items 10.F, 13.B and 15.A. All voted "yes." Motion carried.

5. Approval of Minutes:

A. August 26, 2019 regular council meeting

Schack moved, Bergstedt seconded a motion to accept the minutes, as presented with clarification from Calvert. All voted "yes." Motion carried.

6. Special Matters:

A. Recognition of National Award for Fire Recruitment Plan

Wiersum read a proclamation recognizing Justin Pelagano and the Minnetonka Fire Department for their Fire Recruitment Plan. He commended the fire department for being recognized nationally for their marketing efforts. He thanked Justin Pelagano for his assistance with developing a powerful marketing campaign. A round of applause was offered by all in attendance.

Justin Pelagano thanked the city council and Mayor Wiersum for the recognition. He noted this was a team success for the City of Minnetonka.

Mayor and council recognized the award.

7. Reports from City Manager & Council Members

City Manager Geralyn Barone reported on upcoming city events and council meetings. She noted an election would be held on Tuesday, November 5 and absentee voting had begun at city hall.

Carter acknowledged the League of Women Voters and thanked this organization for hosting a candidate forum for Minnetonka. She reported voters could find a video of this event on the city's webpage.

Calvert wished a happy new year to all folks in the Jewish community.

Calvert commented on the climate event that was held at city hall on Saturday, October 5.

8. Citizens Wishing to Discuss Matters not on the Agenda

Shane Feldhaus, 3908 Auburn Drive, thanked the council for their time. He asked the city to work with him to bring down the water levels on Huntington Pond. He explained the high water levels in this pond has been threatening to flood his property since April. He stated he has been working with the city in connection with his neighbors and noted there was community support to bring down the water level. He requested the council become involved in order to assist in completing a study.

Sara Feldhaus, 3908 Auburn Drive, commented she had a conversation with Phil Olson this afternoon and it appears there is a bottleneck with the analysis and survey work. She reported once this work was completed the watershed district can begin pumping out the pond. She requested the council expedite the survey and analysis process. She also asked the council to consider approving intermediate pumping in order to keep the water out of her home.

Mr. Feldhaus reviewed several photos of his property with the council noting the water from Huntington Pond was too close to his home.

City Manager Geralyn Barone reported staff has been working with the neighbors to reach a reasonable resolution to this complex situation. She requested further cooperation from the homeowners and noted staff would continue to work with multiple agencies to address this situation. She commented further on how this was a topic being addressed by multiple agencies and how downstream properties would be impacted by the extra water.

Lisa Fowler, 3851 Huntingdon Circle, explained she was a neighbor to the Feldhouse's. She reported she organized the collaboration for her neighborhood back in April. She stated she was in attendance to lend support to her neighbors. She expressed concern with how her neighbors were being impacted by the rising water levels. She noted she has been working diligently with the city and its staff to see how to address this concern. She indicated the petition to pump has had overwhelming support. She thanked city staff for all of their help with this complex issue. She noted the neighbors were willing to do their part but there were concerns with the wildlife, trees and land that was being lost.

Wiersum explained the city takes this issue seriously. He noted the city has had record rainfall this year but reported staff would work to address the Huntington Shore neighbors concerns.

9. Bids and Purchases: None

10. Consent Agenda – Items Requiring a Majority Vote:

A. Resolution approving the final plat of CONIFER HEIGHTS at 5616 Mahoney Ave and 5615 Conifer Trail

Ellingson moved, Schack seconded a motion to adopt Resolution 2019-095 approving the final plat. All voted "yes." Motion carried.

B. Ordinance amending city code 400.300 Subd.6(3) pertaining to lot-behind-lot standards

Ellingson moved, Schack seconded a motion to adopt Ordinance 2019-17. All voted "yes." Motion carried.

C. Resolution reaffirming the preliminary and final plat of WILLISTON ACRES 3rd ADDITION, a two-lot subdivision at 14819 Margaret Place

Ellingson moved, Schack seconded a motion to adopt Resolution 2019-096 approving the preliminary and final plats. All voted "yes." Motion carried.

D. Donation of paper to Hopkins, Minnetonka and Wayzata school districts

Ellingson moved, Schack seconded a motion to authorize the donation. All voted "yes." Motion carried.

E. Resolution appointing election judges and absentee ballot board for the Nov. 5, 2019 Municipal General Election

Ellingson moved, Schack seconded a motion to adopt Resolution 2019-097. All voted "yes." Motion carried.

F. Resolution adopting the 2020 meeting schedule for the Minnetonka City Council

Ellingson moved, Schack seconded a motion to adopt Resolution 2019-098. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances: None

13. Public Hearings:

A. Temporary on-sale liquor license for ICA Food Shelf, for use at 14600 Minnetonka Boulevard

City Manager Geralyn Barone gave the staff report.

Wiersum opened the public hearing.

Patty Sinigan, ICA Food Shelf, stated this was the sixth year the food shelf would be hosting this event at the Minnetonka Community Center. She explained this event was one of the biggest fundraisers for her organization. It was noted the fundraiser would be held on Thursday, October 24 from 5:00 p.m. to 8:00 p.m.

Wiersum closed the public hearing.

Calvert thanked the ICA Food Shelf for the great work they do in the community.

Wiersum thanked the ICA Food Shelf for their commitment to the community and encouraged Minnetonka residents to consider volunteering with this organization.

Calvert moved, Carter seconded a motion to hold the public hearing and grant the license. All voted "yes." Motion carried.

B. Items related to the Cloud 9 Condominium's Housing Improvement Area

Community Development Director Julie Wischnack gave the staff report.

Wiersum opened the public hearing.

Mark LeClaire, 5601 Smithton Drive, Unit 901 in Cloud 9, explained he received his assessment information from the city. He asked if anyone on staff has verified that the work had been done by the contractor correctly. He stated he did not believe the air had been balanced in the building. He commented further on the problems that he was having with the windows in his unit. He feared the residents were being assessed for work that would not be completed properly.

Eric Walker, 5601 Smithton Drive, Unit 705 in Cloud 9, explained he had a lot of the same concerns that were raised by Mr. LeClair. He feared work had not been done correctly. He stated he moved into his unit in April and has been reaching out to the board since July. He commented on the research he conducted regarding the curtain wall and discussed the return air diffusers in his unit. He indicated he was not a mechanical engineer, but expressed concern with the fact the work completed on this building was done incorrectly on the HVAC units and now all units were being impacted. He asked if the associations bylaws would have to be reviewed by the city given the fact the city would now have a vested interest in Cloud 9.

Wiersum closed the public hearing.

Wischnack explained the association was managing the workmanship and noted the city was involved in inspecting the work. She reported the work has passed city inspection requirements. She encouraged the residents in attendance to bring their concerns to the association board. She commented on how the city was working with the association to assist with a loan for proposed improvements to the condominiums. She indicated the curtain wall was an association issue and noted the association contacted the city for assistance in 2015. She reported the city would have a vested interest in this association going forward and would be working with the association board to ensure the group could properly finance and manage itself in the future.

Carter asked what the city's role was in advocating for tenant rights when a landlord was unresponsive. Heine advised Cloud 9 was a condominium association, which meant the building and land was owned by the 164 units. She reported the governing documents for Cloud 9 were set up so that decisions are made by a board of directors of the association. She explained this board had the authority to make decisions for the unit owners. She commented this was not a landlord/tenant issue.

Mr. Walker reported the association board has been unresponsive and was not showing up for meetings. He stated 116 units had signed a petition to push this work through. He reported 62 of these units have turned over since June of 2016. He commented another concern was that Multi-Venture would no longer be managing the association.

Wiersum indicated the city was working with the association to finance a loan. He explained the city's authority was quite limited. He stated he empathized with the condominium unit owners and wished them well.

Schack commented this was a difficult situation. She discussed the authority homeowners associations had noting the city's hands were tied and the city could not intervene.

Calvert stated this was a challenge and she extended her sympathies to the Cloud 9 unit owners. She indicated this was a straightforward vote for her in terms of what was being asked of the council.

Wiersum asked if the HIA (Housing Improvement Area) was already in place or could the council tell the board there were some legitimate concerns that should be addressed prior to the city approving the financing. Wischnack explained the HIA had already been adopted and the request before the council was simply for financing of the improvements. She reported there would be some real timing issues if this matter were not adopted by the council.

Bergstedt stated he was not in favor of delaying action on this item. He reported Cloud 9 was not a new issue for the council. He supported the council moving forward with the straight forward approval of the financing.

Bergstedt moved, Calvert seconded a motion to 1) Adopt Resolution 2019-099 approving an amending housing improvement fee for the Cloud 9 Sky Flats Housing Improvement Area 2) Adopt Resolution 2019-100 approving the second amendment to the development agreement with respect to the Cloud 9 Sky Flats Housing Improvement Area 3) Adopt Resolution 2019-101 providing for the sale of Housing Improvement Bonds in the amount of \$3,055,000. All voted "yes."
Motion carried.

14. Other Business:

A. Items concerning the Hennepin County Medical Examiner's Office Project at 14300 County Road 62

- 1) Major amendment to an existing master development plan**
- 2) Conditional use permit; and**
- 3) Site and building plan review**

City Planner Loren Gordon gave the staff report.

Tim Powers, Project Manager for LEO Daly, commented on the project further and thanked staff for working with Hennepin County on this project.

Jessie, Landscape Architect with David Farber Associates, noted the building site area currently had 152 existing trees noting 22 were below significant size and 30 were not desirable species. He commented further on the trees that would be removed for the medical examiner's building and noted the county would be replanting more trees than was required by code.

Bergstedt stated he was thrilled this project had moved to the current site. He indicated this facility would greatly benefit the City of Minnetonka and the surrounding communities.

Schack agreed stating the final plans had been greatly improved.

Calvert indicated this project was a vast improvement from the original plans and she was pleased by the proposed landscaping plan.

Wiersum agreed and thanked the county for working cooperatively with the city on this project. He noted this would be a state of the art facility at a beautiful location.

Calvert moved, Carter seconded a motion to adopt Ordinance 2019-18 and Resolution 2019-102 approving the project. All voted "yes." Motion carried.

15. Appointments and Reappointments:

A. Appointments to the Senior Advisory Board

Wiersum stated he had nominated Sandra Blackman and Nancy Sullivan to serve on the Senior Advisory Board.

Wiersum moved, Schack seconded a motion to approve the two appointments to the Senior Advisory Board. All voted "yes." Motion carried.

16. Adjournment

Calvert moved, Happe seconded a motion to adjourn the meeting at 8:07 p.m. All voted "yes." Motion carried.

Respectfully submitted,

Becky Koosman
City Clerk

City Council Agenda Item #6A
Meeting of Nov. 18, 2019

Brief Description: Virtual tour of redesigned city website

Recommended Action: Enjoy the virtual tour

Background

On Tuesday, Nov. 12, we launched a new website that will completely revolutionize the way the city interacts with residents and visitors online.

The culmination of nearly 18 months of research, writing and design, minnetonkamn.gov is mobile-friendly and includes a stunning design, improved content and great features to make it easier than ever for site visitors to find what they need.

Communications and Marketing Manager Kari Spreeman will provide a virtual tour of the new site and highlight some of the innovative features, including:

- A whole new way to showcase our incredible park system
- The ability to enter an address to locate recycling schedules, council representatives and polling places
- Improved navigation menus
- A reimagined city calendar

Recommendation

Enjoy the virtual tour.

Submitted through:
Geraldyn Barone, City Manager

Originated by: Kari Spreeman, Communications and Marketing Manager

City Council Agenda Item #10A
Meeting of Nov. 18, 2019

Brief Description: Resolution establishing polling places for the 2020 Presidential Nomination Primary, State Primary and General Election

Recommended Action: Adopt the resolution

Background

A law passed by the 2017 Minnesota Legislature requires that by December 31 of each year, the city council designate by resolution or ordinance the polling place locations for the following year's elections.

Minnetonka has 23 polling places. There are no changes in polling places for 2020.

Recommendation

Adopt the resolution designating the city's polling places for 2020

Submitted through:

Geraldyn Barone, City Manager

Mike Funk, Assistant City Manager

Originated by:

Moranda Dammann, Administration Manager

Resolution No. 2019-

Resolution establishing polling places for 2020 elections

Be it resolved by the City Council of the City of Minnetonka, Minnesota as follows:

Section 1. Background

1.01. The 2017 Minnesota State Legislature passed a new law (M.S. 204B.16 subd. 1) requiring the city council adopt a resolution each year establishing the polling place locations for the following year's elections.

1.02. Minnetonka has 23 precincts. There will be no changes for 2020.

Section 2. Council Action.

2.01. The Minnetonka City Council hereby designates the following as the city's polling place locations in 2020:

Ward 1	A	Immaculate Heart of Mary Catholic	13505 Excelsior Blvd.
	B	Old Apostolic Lutheran Church	5617 Rowland Rd.
	C	Cross of Glory Baptist Church	4600 Shady Oak Rd
	D	Destiny Hill Church	13207 Lake St Extension
	E	Bet Shalom Congregation	13613 Orchard Rd.
	F	Minnetonka Community Center	14600 Minnetonka Blvd.
Ward 2	A	Minnetonka Community Center	14600 Minnetonka Blvd.
	B	The Episcopal Parish of St. David	13000 St. David's Rd.
	C	Oak Knoll Lutheran Church	600 Hopkins Crossroad
	D	Ridgedale Library	12601 Ridgedale Drive
	E	Lindbergh Center	2400 Lindbergh Drive
Ward 3	A	Ridgepoint	12600 Marian Lane West
	B	New Perspective	500 Carlson Parkway
	C	Minnetonka Community Center	14600 Minnetonka Blvd.
	D	St. Luke Presbyterian Church	3121 Groveland School Rd.
	E	Bethlehem Lutheran Church	16023 Minnetonka Blvd.
	F	Minnetonka United Methodist Church	17611 Lake St Extension
Ward 4	A	Ridgewood Church	4420 County Rd. 101
	B	Minnetonka School District Service	5621 County Rd. 101
	C	Bethlehem Lutheran Church Glen Lake	5701 Eden Prairie Rd.
	D	Redeemer Bible Church	16205 Highway 7
	E	All Saints Lutheran Church	15915 Excelsior Blvd.
	F	The Glenn	5300 Woodhill Rd.

Adopted by the City Council of the City of Minnetonka, Minnesota, on November 18, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on November 18, 2019.

Becky Koosman, City Clerk

City Council Agenda Item #10B
Meeting of Nov. 18, 2019

Brief Description Resolution approving the final plat of INVERNESS WYOLA ADDITION, a two-lot subdivision at 13321 Inverness Road

Recommendation Adopt the resolution approving the final plat

Introduction

On Jan. 28, 2019, the city council approved the preliminary plat of INVERNESS ESTATES. As approved, the existing property at 13321 Inverness Road would be divided into two lots.

Whitten Associates, Inc., on behalf of the property owner, is now requesting approval of the final plat, renamed INVERNESS WYOLA ADDITION. All final plat requirements have been met.

Staff Recommendation

Staff recommends the council adopt the resolution approving the final plat of INVERNESS WYOLA ADDITION, a two-lot subdivision at 13321 Inverness Road.

Submitted through:

Geraldyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director
Loren Gordon, AICP, City Planner

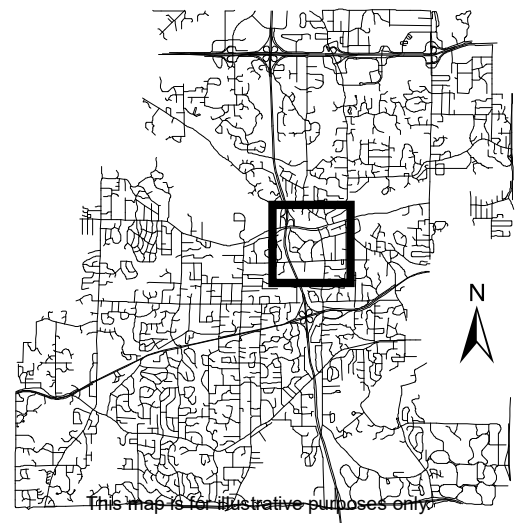
Originated by:

Susan Thomas, AICP, Assistant City Planner



Location Map

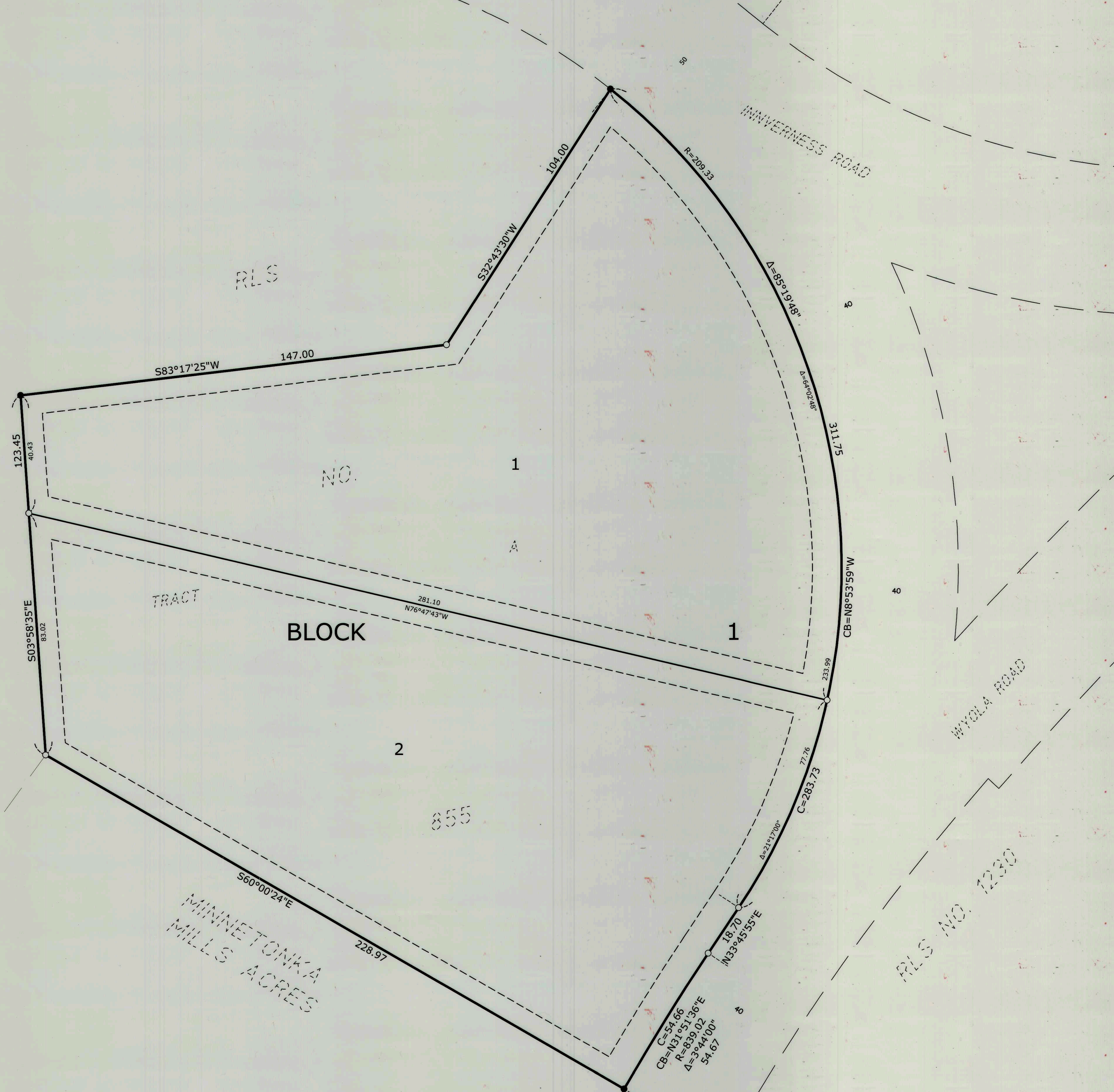
Project: Inverness Estates
 Address: 13321 Inverness Rd



This map is for illustrative purposes only.

INVERNESS WYOLA ADDITION

R.T. DOC. NO _____



KNOW ALL PERSONS BY THESE PRESENTS: That SLP BUYERS, LLC, a Minnesota limited liability company, fee owner of the following described property situated in the State of Minnesota, County of Hennepin, to wit:

Tract A REGISTERED LAND SURVEY NO. 855

Has caused the same to be surveyed and platted as INVERNESS WYOLA ADDITION and does hereby dedicate to the public for public use forever the easements for drainage and utility purposes as shown on this plat.

In witness whereof said SLP BUYERS, LLC, a Minnesota limited liability company, has caused these presents to be signed by its proper officer this _____ day of _____, 2019.

Signed: SLP BUYERS, LLC

By: _____ Its: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____, 20____, By: _____ Its: _____ of SLP BUYERS, LLC, a Minnesota limited liability company, on behalf of the company.

Notary Public, Signature _____ Notary Printed Name _____ My Commission Expires: _____
Notary Public _____ County, _____

SURVEYORS CERTIFICATE

I Rory L. Synstelen do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on the plat; that all monuments depicted on the plat have been or will be set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this 7th day of AUGUST, 2019.

Rory L. Synstelen
Rory L. Synstelen, Licensed Land Surveyor
Minnesota License No. 44565

STATE OF Minnesota
COUNTY OF Ramsey

The foregoing instrument was acknowledged before me this 7th day of August, 2019, by Rory L. Synstelen

Notary Public, Signature Michael Rawlings Notary Printed Name _____ My Commission Expires: Jan. 31, 2023
Notary Public Ramsey County, Minnesota

City Council, City of MINNETONKA, MINNESOTA

This plat of INVERNESS WYOLA ADDITION was approved and accepted by the City Council of the City of Minnetonka, Minnesota at a regular meeting thereof held on this _____ day of _____, 20____, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subdivision 2.

City Council of Minnetonka, Minnesota

By: _____ Mayor By: _____ Clerk

RESIDENT AND REAL ESTATE SERVICES, Hennepin County, Minnesota

I hereby certify that taxes payable in 2019 and prior years have been paid for land described on this plat.

Dated this _____ day of _____, 2019.

Mark V. Chapin, Hennepin County Auditor

By: _____ Deputy

SURVEY DIVISION, Hennepin County, Minnesota

Pursuant to Minnesota Statutes Section 383B.565 (1969), this plat has been approved this _____ day of _____, 2019.

Chris F. Mavis, Hennepin County Surveyor

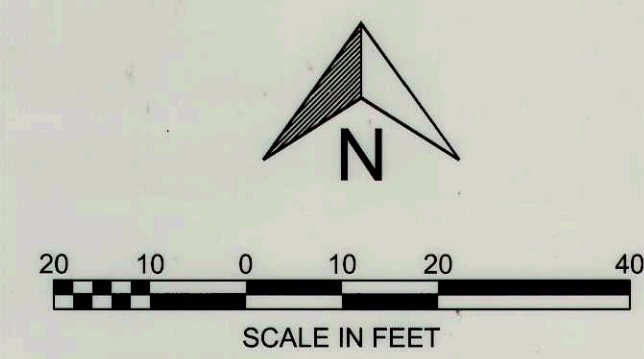
By: _____

REGISTRAR OF TITLES, Hennepin County, Minnesota

I hereby certify that the within plat of INVERNESS WYOLA ADDITION was filed in this office this _____ day of _____, 20____, at _____ o'clock _____ M.

Martin McCormick, Registrar of Titles

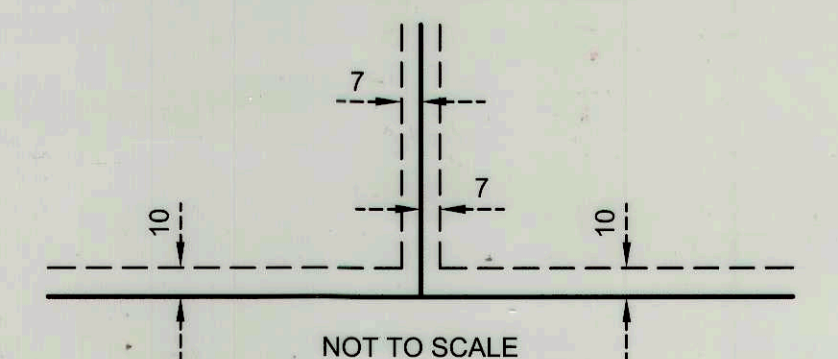
By: _____ Deputy



Bearings are based on the west line of Tract A having an assumed bearing of S03°58'35\"/>

- Found 1/2" Iron Pin open
- 1/2 inch by 14 Iron Monument Set Marked "RLS 44565"

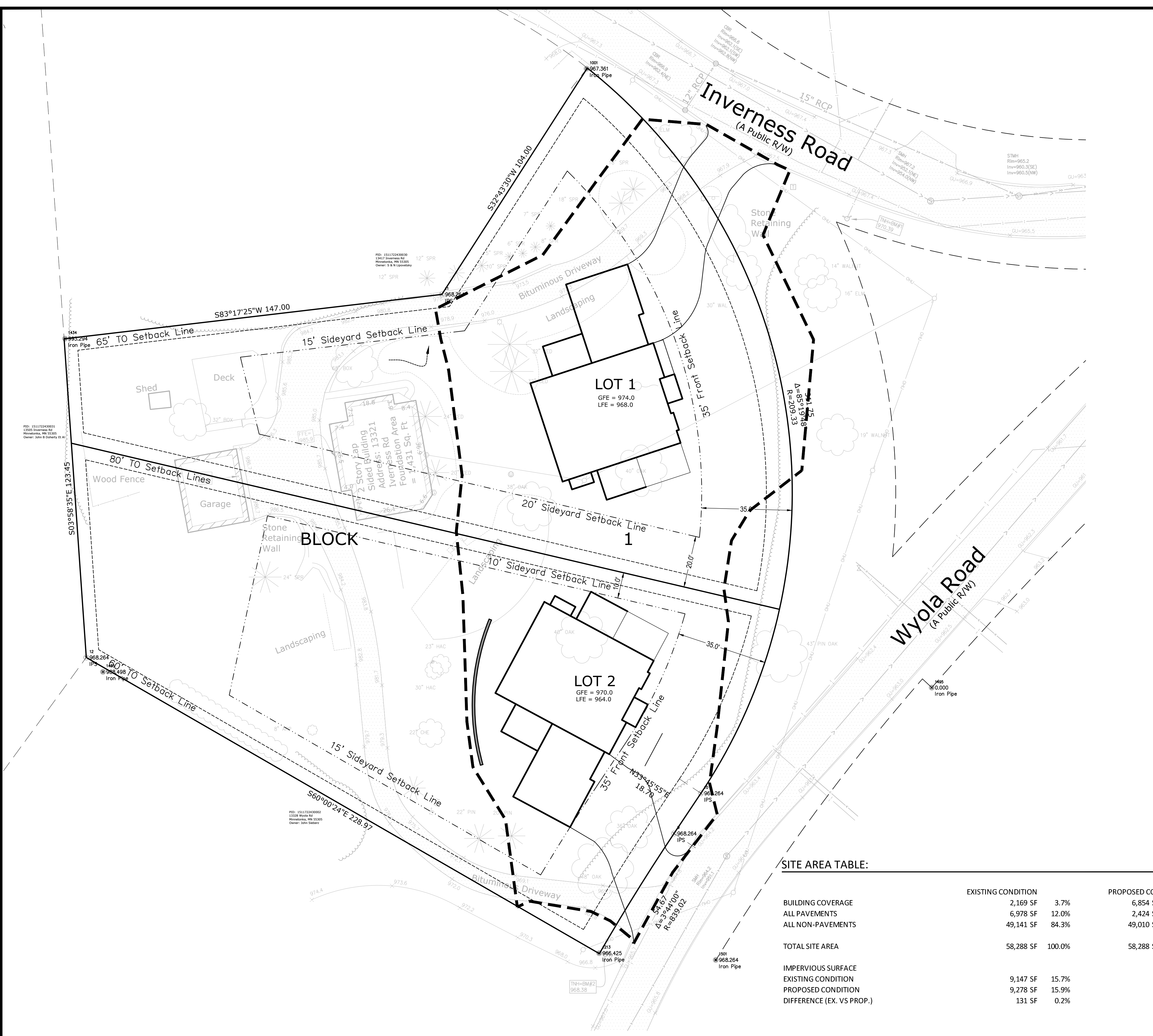
DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:



Being 7 feet in width when adjoining lot lines, unless otherwise indicated, and 10 feet in width when adjoining right of way lines unless otherwise indicated, as shown on the plat.

CITY OF MINNETONKA SITE SPECIFIC NOTES:

- RESERVED FOR CITY SPECIFIC NOTES.



IVERNESS ESTATES
13321 IVERNESS ROAD, MINNETONKA, MN, 55305
SLP BUYERS LLC
4825 MINNETONKA BOULEVARD, MINNEAPOLIS, MN, 55416

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
Matthew R. Pavek
Matthew R. Pavek
DATE 01/07/19 LICENSE NO. 44263

DATE	DESCRIPTION
9/10/18	CITY SUBMITTAL
01/07/19	CITY SUBMITTAL

DRAWN BY:
DAN REBOK

REVIEWED BY:
MATT PAVEK

PROJECT NUMBER: 18156

DATE	DESCRIPTION

SITE PLAN

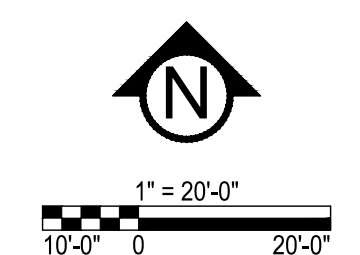
C2.0

SITE AREA TABLE:

	EXISTING CONDITION		PROPOSED CONDITION	
	SF	%	SF	%
BUILDING COVERAGE	2,169 SF	3.7%	6,854 SF	11.8%
ALL PAVEMENTS	6,978 SF	12.0%	2,424 SF	4.2%
ALL NON-PAVEMENTS	49,141 SF	84.3%	49,010 SF	84.1%
TOTAL SITE AREA	58,288 SF	100.0%	58,288 SF	100.0%
IMPERVIOUS SURFACE				
EXISTING CONDITION	9,147 SF	15.7%		
PROPOSED CONDITION	9,278 SF	15.9%		
DIFFERENCE (EX. VS PROP.)	131 SF	0.2%		

SITE PLAN LEGEND:

- PROPERTY LINE
- CONSTRUCTION LIMITS
- CURB AND GUTTER-SEE NOTES (T.O.) TIP OUT
- GUTTER WHERE APPLICABLE-SEE PLAN
- TRAFFIC DIRECTIONAL ARROW PAVEMENT MARKINGS
- SIGN AND POST ASSEMBLY. SHOP DRAWINGS REQUIRED.
- HC = ACCESSIBLE SIGN
- NP = NO PARKING FIRE LANE
- ST = STOP
- CP = COMPACT CAR PARKING ONLY



Resolution No. 2019-011

Resolution approving the preliminary plat of INVERNESS ESTATES, a two-lot subdivision at 13321 Inverness Road

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

- 1.01 Whitten Associates, Inc. has requested approval of the preliminary plat of INVERNESS ESTATES a two-lot subdivision at 13321 Inverness Road.
- 1.02 The property is legally described as:
Tract A, REGISTERED LAND SURVEY NO. 0855 Hennepin County, MN
- 1.03 On Jan. 17, 2019, the planning commission held a hearing on the proposed plat. The applicant was provided the opportunity to present information to the commission. The commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council approve the preliminary plat.

Section 2. General Standards.

- 2.01 City Code §400.030 outlines general design requirements for residential subdivisions. These standards are incorporated by reference into this resolution.
- 2.02 City Code §300.28 Subd.19(e)(3) outlines tree removal and preservation standards during the subdivision of property. These standards are incorporated by reference into this resolution.

Section 3. Findings.

- 3.01 The preliminary plat would meet the design standards as outlined in City Code §400.030.
- 3.02 The preliminary plat would meet the tree protection standards as outlined in City Code §300.28 Subd.19(e)(3).

Section 4. Council Action.

4.01 The above-described preliminary plat is hereby approved, subject to the following conditions:

1. Final plat approval is required. A final plat will not be placed on a city council agenda until a complete final plat application is received. The following must be submitted for a final plat application to be considered complete:
 - a) A revised final plat drawing that clearly illustrates a minimum 10-foot wide drainage and utility easement adjacent to the public right-of-way and minimum 7-foot wide drainage and utility easements along all other lot lines.
 - b) Title evidence that is current within thirty days of submittal.
2. Prior to release of the final plat for recording, submit the following:
 - a) Two sets of mylars for city signatures.
 - b) An electronic CAD file of the plat in microstation or DXF.
 - c) Park dedication fee of \$5,000.
3. Subject to staff approval, INVERNESS ESTATES must be developed and maintained in substantial conformance with the following plans, except as modified by the conditions below:
 - Site plan, dated Jan. 7, 2019
 - Grading plan, dated Jan. 7, 2019
 - Utility plan, dated Jan. 7, 2019
 - Tree removal plan, dated Jan. 7, 2019
4. Prior to issuance of a building permit
 - a) The final plat must be approved and filed with Hennepin County for recording.
 - b) Submit the following:
 - 1) A driveway permit application.
 - 2) Final grading and tree preservation plans.
 - a. The plans for each lot must be in general compliance with the overall grading and tree removal/preservation plan referenced in section 4.01(3) of this resolution.

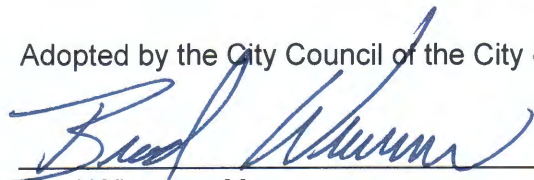
- b. No more than 9 high priority trees can be removed across both lots in total; as per the tree removal/preservation plan five high priority trees may be removed on Lot 1 and four high priority trees on Lot 2.
- c. Sewer and water services must be located to minimize impact to any significant or high-priority trees.

Unless specifically approved by staff, no grading or tree removal is allowed for either lot prior to issuance of a building permit for that lot.

- 3) A tree mitigation plan. The plan must meet minimum mitigation requirements as outlined in the ordinance. However, at the sole discretion of staff, mitigation may be decreased.
 - 4) Erosion control cash escrow in an amount to be determined by city staff. This escrow must be accompanied by a document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge:
 - The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and
 - If compliance is not achieved, the city will use any or all of the escrow dollars to correct any erosion and/or grading problems.
 - 5) All required hook-up fees.
- c) Install a temporary rock driveway, erosion control, tree and wetland protection fencing and any other measures identified on the SWPPP for staff inspection. These items must be maintained throughout the course of construction.
 - d) In addition, note:
 - 1) All lots and structures within the plat are subject to all the R-1 zoning standards.
 - 2) Garage floor elevations must be set such that driveway grade is not greater than 10 percent.

- 3) New water services must be 1.5-inch in size.
 - 4) Builder must confirm the existing water service for Lot 1 is sufficient. If not, the old service pipe must be removed to the main with the corporation stop turned off. The new service connection can then be made.
 - 5) New water and sewer service connections will be required to serve Lot 2
5. This approval will be void on Jan. 28, 2019, if: (1) a final plat is not approved; and (2) the city council has not received and approved a written application for a time extension.

Adopted by the City Council of the City of Minnetonka, Minnesota, on Jan. 28, 2019.



Brad Wiersum, Mayor

Attest:



Becky Koosman, Acting City Clerk

Action on this resolution:

Motion for adoption: Ellingson

Seconded by: Schack

Voted in favor of: Schack, Calvert, Bergstedt, Ellingson, Happe, Wiersum

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on Jan. 28, 2019.

Becky Koosman, Acting City Clerk

Resolution No. 2019-021

Resolution amending Resolution No. 2019-011 regarding INVERNESS ESTATES

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

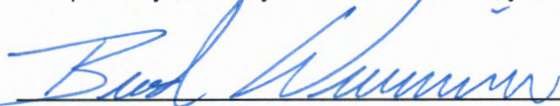
Section 1. Background.

- 1.01 The City Council approved Resolution No. 2019-011 on Jan. 28, 2019.
- 1.02 Resolution No. 2019-011 affects and concerns real property legally described as:
Tract A, REGISTERED LAND SURVEY NO. 0855 Hennepin County, MN
- 1.03 Resolution No. 2019-011 contains an error at Section 4.01, paragraph 5.

Section 2. Council Action.

- 2.01 Resolution No. 2019-011 is amended by substituting the paragraph below for Section 4.01, paragraph 5 of the resolution
5. This approval will be void on Jan. 28, 2020, if: (1) a final plat is not approved; and (2) the city council has not received and approved a written application for a time extension.
- 2.02 Except as amended by this Resolution, the provisions of Resolution No. 2019-011 are in all respects confirmed and remain in full force and effect.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 18, 2019.



Brad Wiersum, Mayor

Attest:



Becky Kosman, Acting City Clerk

Action on this resolution:

Motion for adoption: Ellingson

Seconded by: Carter

Voted in favor of: Ellingson, Calvert, Schack, Carter, Bergstedt, Wiersum

Voted against:

Abstained:

Absent: Happe

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on March 18, 2019.

Becky Koosman, Acting City Clerk

Resolution No. 2019-

**Resolution approving the final plat of INVERNESS WYOLA ADDITION
at 13321 Inverness Road**

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 Whitten Associates, Inc., on behalf of the property owner, has requested final plat approval of INVERNESS WYOLA ADDITION.

1.02 The property to be included in the plat is located at 13321 Inverness Road. It is legally described as:

Tract A, REGISTERED LAND SURVEY NO. 0855 Hennepin County, MN

1.03 On Jan. 28, 2019, the city council approved the INVERNESS ESTATES preliminary plat. The plat has since been renamed INVERNESS WYOLA ADDITION.

Section 2. Council Action.

2.01 The city council approves the final plat of INVERNESS WYOLA ADDITION. Approval is subject to the following conditions:

1. Compliance with conditions outlined in preliminary plat Resolution No. 2019-011.
2. Prior to the release of the final plat for recording, submit an electronic CAD file of the plat in microstation or DXF.
3. Unless the city council approves a time extension, the final plat must be recorded by Nov. 18, 2020.

Adopted by the City Council of the City of Minnetonka, Minnesota, on Nov. 18, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held Nov. 18, 2019.

Becky Koosman, City Clerk

SEAL

City Council Agenda Item #10C
Meeting of Nov. 18, 2019

Brief Description: Announcement of closed meeting to discuss labor negotiation strategies on November 25, 2019 at 6:00 p.m. in the Gray's Bay Conference Room

Recommended Action: Schedule the closed meeting

Background

The city council annually reviews the wages for all employees, including all collective bargaining unit members, for the purpose of providing direction to administrative staff in labor negotiation strategies. The Minnesota Open Meeting Law, Minnesota Statutes section 13D.03, allows a meeting to be closed for the purpose of discussing labor negotiation strategies.

The required procedure for closing a meeting under section 13D.03 is slightly different than that required to close meetings for other purposes, such as attorney-client privilege or conducting a performance evaluation. For labor negotiation strategies, the council must decide, by majority vote in a public meeting, to hold a closed session for the purpose of considering strategy for labor negotiations. In addition, the time and place of the closed meeting must be announced during the public meeting.

Recommendation

Adopt the motion to schedule a closed meeting on November 25, 2019 at 6:00 p.m. in the Gray's Bay Conference Room at city hall, for the purposes of considering labor negotiation strategies with respect to 2020 wages and benefits for all employees, including all collective bargaining unit members, pursuant to Minnesota Statutes section 13D.03.

Submitted through:
Geraldyn Barone, City Manager
Corrine Heine, City Attorney

Originated by:
Mike Funk, Assistant City Manager

City Council Agenda Item #12A
Meeting of Nov. 18, 2019

Brief Description Ordinance amending Section 710 of the city code regarding increases/changes in fees

Recommendation Introduce the ordinance

Background

During the budget preparation, staff reviews the fees charged by the city for code-compliant services and recommends adjustments to the fee schedule, where appropriate. Fees required by ordinance can be changed by amending Section 710, where these fees are listed. Staff requests the council introduce the attached ordinance, which increases and decreases certain fees.

When considering appropriate fees for service, the primary consideration is ensuring the fee is comparable to the actual costs of providing the service. Secondly, staff considers other jurisdictions' charges for services, but only to provide a context, not as the basis for the fee or its increase. By law, the city may not charge certain fees higher than the city's actual costs of providing the service.

Proposed 2020 License Fee Changes

Environmental Health

As is the case with all other fee-based services in Minnetonka, environmental health inspection fees are based on the city's actual costs of providing those services. In this instance, the staff analysis also considered Hennepin County's 2020 approved fee structure as a basis for comparison.

As a result of this analysis, staff is recommending that Minnetonka's environmental health license fees be increased to cover both direct and indirect costs for these inspections.

Minnetonka's fee schedule is based on the type of establishment, with different fees for each class, based on the actual costs of the inspections. Generally, food establishments with more complicated operations have more costs associated with the inspections, so fees are higher in these cases. In January 2019, the adoption of the new food code became effective in Minnesota, resulting in environmental health inspections becoming more extensive, requiring additional time to complete the necessary evaluations at each establishment. This additional inspection time has been noted by inspectors statewide and has increased the need to ensure cost recovery for environmental health inspections. The fees for schools are lower than the cost for restaurants, despite the fact the city is required to inspect schools a minimum of two times a year, as opposed to one inspection with restaurants. The school fee has been gradually increasing over the years to cover the city's costs to provide the service.

Through the evaluation of the license fees, staff is also proposing a decrease in the fee for food delivery trucks. The reduction of \$30 per license is in line with the Hennepin County fee. Staff has determined that the \$100 fee will cover the cost to license and complete inspections for these vehicles. Further, staff is recommending decreasing the fee for additional days for special events and eliminating the special event maximum fee.

License Category	2019 fee	Proposed 2020 fee
Class A (restaurants)	\$830	\$920
Class C (grocery stores)	\$665	\$715
Class E (limited grocery)	\$335	\$360
Class G (prepackaged, candy)	\$180	\$190
Additional facility	\$290	\$315
Food Vehicle	\$130	\$100
School kitchen inspection	\$700	\$715
Daycare centers		
Full service	\$500	\$540
Limited service	\$265	\$270
Special Food Event		
First Day	\$80	\$90
Within 5 business days of the event	\$120	\$130
Each additional consecutive day	\$25	\$10
Maximum – each license	\$170	NA
Swimming pool, public		
Indoor pool	\$430	\$460
Outdoor pool	\$430	\$460
Additional pool, same location	\$275	\$290
Lodging establishment fee	\$220	\$270
Plus room fee	\$8.00/per room	\$10.00/per room
Body art	\$340	\$350
Peddler, Solicitor, Canvasser	\$75	\$150
Tobacco – retail sales	\$235	\$250
Massage Services – Business License Fee	\$320	\$350

Engineering

The right-of-way permit fees were last adjusted in 2015 (effective 2016). The proposed increase is to recover the costs of staff time spent as compared to fees collected. Processing right-of-way permits includes detailed plan review, answering questions for contractors and utilities, fielding concerns and corresponding follow up, and inspection of completed work. Other communities' fees were reviewed for comparison, and Minnetonka's proposed fees remain below the average, even with the proposed increase.

Engineering fees	2019 fee	Proposed 2020 fee
Right-of-way fees		
administrative fee	\$50	\$75
excavation within street	\$50/hole	\$75/hole
excavation within boulevard	\$30/hole	\$50/hole
open cut trench	\$50 for first 100 linear feet, plus \$.50/foot over 100 feet	\$75 for first 100 linear feet, plus \$.75/foot over 100 feet

Police / Fire

The fees for alarm system registration have not been changed since 2000. Based on a review of its costs, the police department is recommending an increase in those fees. In addition, the city attorney recommended that the fee amounts for alarm system registration and excessive false alarms be removed from section 915 of the city code and instead listed in section 710 of the city code. The proposed ordinance includes those amendments, although there are no changes to the false alarm fees.

Police / Fire fees	2019 fee	Proposed 2020 Fee
Alarm system registration	\$10 per system	\$20 per system
Fire alarm fee	\$250.00	\$250.00
False alarm fees	\$50.00 for third in one year with \$50.00 step increase for each additional false alarm in one year (e.g., \$100.00 for fourth, \$150.00 for fifth, etc.)	\$50.00 for third in one year with \$50.00 step increase for each additional false alarm in one year (e.g., \$100.00 for fourth, \$150.00 for fifth, etc.)

Other Divisions

No fee changes were requested from public works, planning, or recreation.

Proposed

If the fee changes shown above are adopted, the 2020 fees become effective Jan. 1, 2020. While 2020 license renewals are sent out before the end of the year, the new license fees are effective from Jan. 1 to Dec. 31.

The purpose of introducing an ordinance is to allow the city council the opportunity to review the ordinance. Licensees for code-compliance related requests will be notified prior to final council approval. Action on the final approval and adoption of the ordinance is tentatively set for consideration at the Dec. 2, 2019 city council meeting.

Staff Recommendation

Introduce the ordinance. Introducing an ordinance does not constitute an approval. This ordinance indicates only those fees that are proposed for amendment to Section 710.

Submitted through:

Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director
Scott Boerboom, Police Chief
John Vance, Fire Chief
Darin Nelson, Finance Director

Originated by:

John Weinand, Code Compliance Manager, Community Development
Sarah Krake, Right of Way/Property Coordinator, Engineering
Corrine Heine, City Attorney

Ordinance No. 2019-

**An Ordinance amending sections 710.005, 915.020, subdivision 1, 915.029,
and 915.030 of the Minnetonka City Code, relating to fees and charges
for licenses, permits and other services**

The City of Minnetonka Ordains:

Section 1. The title and opening paragraph of Section 710.005 of the Minnetonka City Code are amended to read as follows:

710.005. ~~Licenses and Permits.~~ Schedule of Fees and Charges.

The schedule of fees and charges for licenses, ~~and~~ permits, and other services, and the applicable conditions are as set forth below:

Section 2. Section 710.005, paragraph 3 of the Minnetonka City Code, relating to fees for body art licenses, is amended to read as follows:

para. no.	description	amount	code section
3.	body art license	\$340.00 <u>350.00</u>	820.015
	investigation fee	\$300.00	
	plus health plan review fees in paragraph 4 <u>10</u>		
	plus license late fees in paragraph 16 <u>14</u>		

Section 3. Section 710.005, paragraph 8 of the Minnetonka City Code, relating to fees for engineering and street items, is amended to read as follows:

para. no.	description	amount	code section
8.	engineering and street items		
	driveway permit		1105.035
	residential approach	\$23.00	
	all other approaches	\$30.00	
	right of way permit		1120.055
	administrative fee	\$50.00 <u>75.00</u>	
	excavation within street	\$50.00 <u>75.00</u> /hole	
	excavation within boulevard	\$30.00 <u>50.00</u> /hole	
	open cut trench	\$50.00 <u>75.00</u> for first 100 linear feet, plus \$0.50 <u>.75</u> /foot over	

The ~~stricken~~ language is deleted; the underlined language is inserted.

		100 feet	
	small wireless facility	\$500.00/location	
	Rent to occupy space on a city-owned wireless support structure	\$150.00/facility/yr	
	Maintenance associated with space occupied on a city-owned wireless support structure	\$25.00/facility/yr	
	Electricity used to operate a small wireless facility if not purchased directly from a utility	\$73.00/facility/mo./radio node less than or equal to 100 max watts OR actual costs, whichever is greater	
	Subdivision inspections engineering inspection fee		1100.035
	infrastructure project value	fee	
	\$1 to \$150,000	\$4,000.00	
	\$150,000 to \$300,000	\$4,000.00 for first \$150,000 plus 1.5% of each additional dollar	
	\$300,000 and above	\$6,250 for first \$300,000 plus 0.5% of each additional dollar	
	subdivisions – street signs		<u>400.035</u>
	street name signs	\$130.00	
	all other signs	\$120.00	

Section 4. Section 710.005, paragraph 9 of the Minnetonka City Code, relating to fees for food establishment licenses, is amended to read as follows:

para. no.	description	amount	code section
9.	food establishment licenses		815.020
	Class A: supper clubs, sit-down, drive-in, delivery, take-out restaurants; or similar facility	\$830.00 <u>920.00</u>	
	Class B: mobile food vendor, limited food vendor, mobile food cart, or similar facility	\$250.00	
	Class C: grocery, meat market, bakery, deli, rental kitchen, limited food service, or similar facility	\$665.00 <u>715.00</u>	
	Class D: snack stands, push carts or similar facility	\$480.00	
	Class E: limited grocery, retail	\$335.00 <u>360.00</u>	

The ~~stricken~~ language is deleted; the underlined language is inserted.

	potentially hazardous foods, bulk foods		
	non-potentially hazardous foods	\$280.00	
	Class G: prepackaged, non-perishable, candy, or coffee (no refrigeration needed)	\$180.00 <u>190.00</u>	
	additional facilities – more than one of any type or types of any operation listed within the classes	\$290.00 <u>315.00</u>	
	food vehicles – per vehicle	\$130.00 <u>100.00</u>	
	school kitchen inspection fee	\$700.00 <u>715.00</u>	
	special event food stands		
	first day	\$80.00 <u>90.00</u>	
	application received within 5 business days of event	\$120.00 <u>130.00</u>	
	each additional consecutive day	\$25.00 <u>10.00</u>	
	each day, existing license holder	\$25.00 <u>10.00</u>	
	maximum – each license	\$170.00	
	special food handling establishment – day care center		
	full service	\$500.00	
	limited service	\$265.00	
	temporary food service (less than 6 months)	\$170.00	
	vending machines	\$25.00	
	plus health plan review fees in paragraph 4 <u>2</u> <u>10</u>		
	plus license late fees in paragraph 4 <u>6</u> <u>14</u>		
	second reinspection	25% of license fee	
	third or more reinspection	50% of license fee	

Section 5. Section 710.005, paragraph 16 of the Minnetonka City Code, relating to fees for lodging establishment licenses, is amended to read as follows:

para. no.	description	amount	code section
16.	lodging establishment licenses	\$220.00 <u>270.00</u>	830.015
	plus per room	\$8.00 <u>10.00</u>	
	plus health plan review fees in paragraph 4 <u>2</u> <u>10</u>		
	plus license late fees in paragraph 4 <u>6</u> <u>14</u>		

The ~~stricken~~ language is deleted; the underlined language is inserted.

Section 6. Section 710.005, paragraph 17 of the Minnetonka City Code, relating to fees for massage establishment licenses, is amended to read as follows:

para. no.	description	amount	code section
17.	massage license		810.030
	business license	\$320.00 <u>350.00</u>	
	investigation fee	\$300.00	
	plus health plan review fees in paragraph 12 <u>10</u>		
	plus license late fees in paragraph 16 <u>14</u>		

Section 7. Section 710.005, paragraph 20 of the Minnetonka City Code, relating to fees for peddler, solicitor and canvasser licenses, is amended to read as follows:

para. no.	description	amount	code section
20.	peddler, solicitor, and canvasser license	\$75.00 <u>150.00</u>	630.040

Section 8. Section 710.005, paragraph 29 of the Minnetonka City Code, relating to fees for public swimming pool licenses, is amended to read as follows:

para. no.	description	amount	code section
29.	swimming pool license, public		805.030
	indoor	\$430.00 <u>460.00</u>	
	outdoor	\$430.00 <u>460.00</u>	
	additional pool, same location	\$275.00 <u>290.00</u>	
	second reinspection	25% of license fee	
	third or more reinspection	50% of license fee	
	plus license late fees in paragraph 16		

Section 9. Section 710.005, paragraph 32 of the Minnetonka City Code, relating to fees for retail tobacco sales licenses, is amended to read as follows:

para. no.	description	amount	code section
32.	tobacco sales license, retail	\$235.00 <u>250.00</u>	625.020

Section 10. Section 710.005 of the Minnetonka City Code is amended by adding a new paragraph 10 to read as follows, and by renumbering all subsequent paragraphs accordingly, together with amendment of internal cross-references of renumbered paragraphs:

para. no.	Description	amount	code section
<u>10.</u>	<u>false alarm fees</u>	\$50.00 for the third in one year with \$50.00 step increase for each additional false alarm in one year (e.g., \$100.00 for the fourth, \$150.00 for fifth, etc.)	<u>915.030</u>

Section 11. Section 710.005 of the Minnetonka City Code is amended by adding a new paragraph 10 to read as follows, and by renumbering all subsequent paragraphs accordingly, together with amendment of internal cross-references of renumbered paragraphs:

para. no.	Description	amount	code section
<u>11.</u>	<u>fire alarm fees</u>	<u>\$250.00 per alarm</u>	<u>915.029</u>

Section 12. Section 710.005 of the Minnetonka City Code is amended by adding a new paragraph 1, to read as follows, and by renumbering all subsequent paragraphs accordingly, together with amendment of internal cross-references of renumbered paragraphs:

para. no.	description	amount	code section
<u>1.</u>	<u>alarm system registration</u>	<u>\$20.00 per system</u>	<u>915.020</u>

Section 13. Section 915.020, subdivision 1 of the Minnetonka City Code, relating to alarm system registration, is amended to read as follows:

1. An alarm user must annually file with the police department a registration for each alarm system used. The registration will expire December 31 of each year. The alarm user must pay a registration fee ~~of \$10.00 per alarm system~~ as specified by section 710 of this code, which will not be prorated.

Section 14. Section 915.029 of the Minnetonka City Code is amended to read as follows:

915.029. Fire Alarm Fees.

Fees must be paid by an alarm user to the city for each alarm resulting in a fire response, except one generated by an automatic fire sprinkler system. The fee for each fire alarm is ~~\$250.00~~ as specified in section 710 of this code. The fire chief may waive or reduce the fire alarm fee if in the chief's sole discretion circumstances justify such action based on criteria in a written policy adopted by the chief and maintained on the city's

website. A fire alarm fee is a line against the property which was the subject of the alarm and may be collected in the same manner as a false alarm fee under section 915.030. An alarm user may appeal the fee in the same manner as an appeal of utility charges in city code section 1200.030.

Section 15. Section 915.030 of the Minnetonka City Code is amended to read as follows:

915.030. False Alarm Fees.

An alarm user must pay to the city the fees, as specified in section 710 of this code,
~~Fees must be paid by the alarm user to the city~~ for each false alarm resulting in police or medical response in excess of two per year. ~~The fee for a police or medical false alarm is \$50.00 for the third false alarm and increases by the sum of \$50.00 for each succeeding false alarm in each year.~~ The city must first attempt to obtain voluntary payment of the fees. If efforts to obtain voluntary payment fail, all payment of penalties may be enforced by civil action. In addition, unpaid fees and late payment penalties are liens against the property which was the subject of the false alarms and may be collected by certifying the amounts against the property in the same manner as the collection of delinquent utility fees provided in city code section 1200.030(6). An alarm user may appeal the fee in the same manner as an appeal of utility charges in city code section 1200.030.

Section 16. A violation of this ordinance is subject to the penalties and provisions of Chapter XIII of the city code.

Section 17. This ordinance is effective 30 days after publication.

Adopted by the city council of the City of Minnetonka, Minnesota, on Dec. 2, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this Ordinance:

The ~~stricken~~ language is deleted; the underlined language is inserted.

Date of introduction: Nov. 18, 2019

Date of adoption:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Ordinance adopted.

Date of publication:

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota, at a meeting held on Dec. 2, 2019.

Becky Koosman, City Clerk

**City Council Agenda Item #14A
Meeting of Nov. 18, 2019**

Brief Description: Resolution authorizing the certification of delinquent water and sanitary sewer charges to the Hennepin County Auditor

Recommended Action: Adopt the resolution

Background

The city council is requested to adopt the attached resolution, which will certify this year's delinquent utility bills for collection with the 2020 property taxes. Consistent with previous city council actions, staff proposes that the certification of delinquent accounts include an interest rate – this year again, recommended to be 10 percent on the total unpaid balance. The interest is calculated from December 1, 2019, to December 31, 2020. A \$50 administrative fee is added to delinquent accounts to cover the additional costs associated with the certification process including charges imposed onto the city by Hennepin County for administering the delinquent charges through their tax assessment system.

For comparison, the following table presents the certifications over the last ten years at the time of council action.

Year	Number of Accounts	Amount Certified	Average Certification
2010	490	\$299,409.62	\$611.04
2011	513	\$293,312.57	\$571.76
2012	454	\$264,001.65	\$581.50
2013	460	\$260,366.31	\$566.01
2014	474	\$267,103.63	\$563.51
2015	496	\$291,055.75	\$586.81
2016	520	\$330,915.17	\$636.38
2017	475	\$293,798.86	\$618.53
2018	524	\$363,909.77	\$694.48
2019	491	\$347,531.78	\$707.80

A detailed list of properties and delinquent amounts as of November 18, 2019, is available upon request. All accounts to be certified have been notified in writing of the pending certification and have had at least one month already in which to pay the arrears. Any account which pays the certified amount plus city administration costs before November 26, 2019 will be removed from the list prior to filing with Hennepin County. Therefore, the actual numbers of accounts certified to the county are always less than the amounts indicated here. Accounts to be certified must also have been delinquent for three months or longer.

Although the number of delinquent accounts at this step as a percentage of the total number of accounts (around three percent annually) has remained relatively consistent over time, administration of the notification and certification process is lengthy and manually time-consuming. At the beginning of the annual procedure this year, 922 accounts were notified of the pending certification. There were 775 of these accounts last year and 815 the year before. Based on past years, less than half those, e.g. 387 last year, will actually be certified after the city's utility billing staff has worked with customers to collect arrears. Rough analysis of the final list of delinquent accounts indicate that as many as half are repeat accounts.

Appeals

In the formal notification of delinquency, customers were apprised of their right to request a hearing before the city council to ask that the delinquent amount on their account not be assessed to their property taxes. At the time of drafting this letter, no property owners have notified the city of their intention to present their case to the city council. Nonetheless, all such customers are still afforded the opportunity to do so this evening.

Recommendation

Adopt the resolution authorizing the certification of delinquent water and sanitary sewer charges to the Hennepin County Auditor.

Submitted through:
Geraldyn Barone, City Manager

Originated by:
Darin Nelson, Finance Director

Resolution No. 2019-XXX

Resolution authorizing the certification of Delinquent Water and Sanitary Sewer Charges to the Hennepin County Auditor

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background

1.01. The City Council of the City of Minnetonka duly adopted Ordinance No. 1200.030 providing for certification of delinquent water and sanitary sewer charges to the County Auditor for collection pursuant to the provision of Minnesota Statutes 444.075.

Section 2. Findings

2.01 The Finance Department has prepared a list of delinquent charges for water and sanitary sewer services together with the legal description of the premises served, the official copy of which is on file with the City Clerk.

2.02. All parties have been notified by mail of the certification.

2.03. The proposed list of delinquent charges for water and sanitary sewer services, the official copy of which is hereby accepted by the Council, is a true and correct list of delinquent water and sanitary sewer service charges as of November 18, 2019.

Section 3. Authorization

3.01. The City Clerk shall transmit a certified duplicate copy of this resolution and the list of updated delinquent accounts to the County Auditor to be extended on the property tax list of the County, and such delinquent accounts shall be collected and paid over the same manner as other municipal taxes with interest from the date of this resolution at the rate of 10 percent (10%) per annum and including a \$50.00 administrative penalty pursuant to the provisions of Minnesota Statutes 444.075.

Adopted by the City Council of the City of Minnetonka, Minnesota on November 18, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on November 18, 2019.

Becky Koosman, City Clerk

City Council Agenda Item #14B Meeting of Nov. 18, 2019

Brief Description

Items related to the Cloud 9 Condominium's Housing Improvement Area

Recommendation

Adopt the resolution awarding the sale of the Taxable General Obligations Bonds, Series 2019A, in the original aggregate principal amount of \$2,690,000; fixing their form and specifications; directing their execution and delivery; and providing for their payment.

Background

There have been a series of approvals for the housing improvement area of Cloud 9. The 164 unit condominium building, located on 5601 Smetana Drive, conducted several improvements to their buildings over the last 18 months. The latest council action occurred on Oct. 7, which included approval of the amended fee resolution for Cloud 9, approved the second amendment to the development agreement, and adopted a resolution providing for the sale of Housing Improvements Bonds in the amount of \$3,055,000. The prepayment period for the fees is now complete, and the bonds are ready to be issued.

Financing:

Cloud 9 obtained a construction loan to finance the housing improvements, and the city agreed to issue taxable general obligation bonds to pay off the construction loan following the completion of the project. The taxable bonds will have a term of 21 years (20 years of principal payments) with an interest rate of approximately 3.35%. The city will repay the bonds through the collection of housing improvement fees, collected in a similar manner to special assessments. The fee includes ongoing administration, legal and consultant costs in connection with the Housing Improvement Area, including costs related to financing or issuance of the bonds.

The bond closing is scheduled for Dec. 5, 2019. At that time, the bond amount will be finalized, and the city will receive a Sale Day Report summarizing the results of the sale. Many units prepaid the Housing Fee; therefore, the bond amount is lower than the final project costs. The Preliminary Official Statement estimated the bond sale at \$2.825 million. Since the printing of that statement, we received an additional \$34,000 in prepayments, which are planned to further reduce the bond issuance amount. A revised resolution will be provided the day of the meeting.

Revised Project Timeline

The proposed timeline is as follows:

- Oct. 7, 2019, through Nov. 7, 2019: prepayment option available to homeowners (completed)
- Nov. 18, 2019: city council meeting to award bond sale
- Nov. 30, 2019: certify housing fees with Hennepin County
- Dec. 5, 2019: estimated closing date for bonds

Recommendation

Staff recommends that the city council:

Adopt the resolution awarding the sale of the Taxable General Obligations Bonds, Series 2019A, in the original aggregate principal amount of \$2,690,000; fixing their form and specifications; directing their execution and delivery, and providing for their payment.

Submitted through:

Geralyn Barone, City Manager
Julie Wischnack, AICP, Community Development Director
Darin Nelson, Finance Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

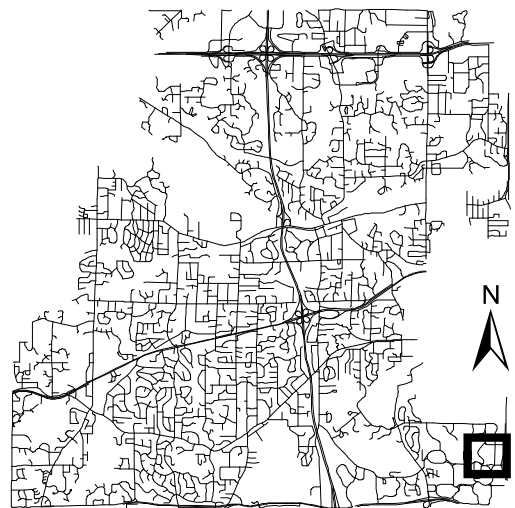
Attachments

- Location Map
- Memo from Jason Aarsvold – Ehlers
- Staff Report from Oct. 7, 2019 meeting



Location Map

Cloud 9 Condominiums
Address: 5601 Smetana Dr



This map is for illustrative purposes only.

Memo

To: Darin Nelson, Finance Director
Alisha Gray, Economic Development and Housing Manger

From: Jason Aarsvold, Ehlers

Date: November 12, 2019

Subject: 2019A Housing Improvement Area Bonds (Cloud 9 Association)

On October 7, 2019, the city council reviewed a pre-sale report from Ehlers outlining a proposed issuance of debt to help the Cloud 9 Sky Flats Association finance housing improvements, including: Curtain wall repairs, HVAC repairs, and elevator repairs. The city also established a Housing Improvement Area for the Cloud 9 Association and will impose a fee on the unit owners that will be used to pay all of the annual principal and interest on the bonds.

Following the October 7, 2019 meeting, city staff worked with Ehlers to prepare for a competitive sale of the bonds. This process included having the bonds rated by Moody's. City staff prepared a comprehensive presentation for the rating discussion with Moody's and the City's Aaa rating was affirmed. This is the highest rating assigned by Moody's and will help the city (and by extension the association) access the best possible interest rates.

On November 18, Ehlers will take bids for the sale of the 2019A bonds. The recommendation for awarding the sale of bonds will be made based on the bid with the lowest calculated true interest cost. Ehlers will prepare a sale day report detailing the results of the sale for distribution to the city council at its meeting on November 18.

At the November 18 meeting, the city council will be asked to consider a resolution awarding the sale of the bonds to the lowest bidder. Once this resolution is passed, City staff, Ehlers, and Kennedy and Graven (bond counsel) will work toward a closing of the bonds which is scheduled for December 5, 2019. City staff will then coordinate with the Cloud 9 association to finalize the transaction. The City will begin receiving fees from the association and begin paying debt service on the bonds in 2020.

Please contact me at 651-697-8512 with any questions.

City Council Agenda Item #13 Meeting of Oct. 7, 2019

Brief Description

Items related to the Cloud 9 Condominium's Housing Improvement Area

Recommendation

1) Adopt a resolution approving an amended housing improvement fee for the Cloud 9 Sky Flats Housing Improvement Area

2) Adopt a resolution approving the second amendment to the development agreement with respect to the Cloud 9 Sky Flats Housing Improvement Area.

3) Adopt a resolution providing for the sale of Housing Improvement Bonds in the amount of \$3,055,000

Background

In 2011, the city council adopted a policy establishing criteria that guide the consideration of a Housing Improvement Area (HIA) in the city. A Housing Improvement Area, authorized under Minnesota Statutes Chapter 428A, allows cities to help arrange and finance rehabilitation for common areas of owner-occupied residential buildings, such as condominiums or townhouses. An HIA is a defined area where private housing improvements are made and where costs associated with the improvements are paid for by fees imposed on property owners. Within an HIA, the city has the authority to finance housing improvements through levying fees and assessments and may issue bonds to pay for those improvements.

On Aug. 28, 2017, the city council held a public hearing, adopted an ordinance establishing the Cloud 9 Sky Flats Housing Improvement Area, adopted a resolution establishing the housing improvement fee, and adopted a resolution approving a development agreement.

In April 2018, the city council adopted an amended resolution and approved the first amendment to the development agreement to extend the *prepayment* period from April 12, 2018, to June 30, 2019, and extend the *due* date of the first payment from 2019 to 2020.

Cloud 9 Condominiums Project

Cloud 9 completed its rehabilitation project in summer 2019, and the project costs were lower than anticipated. This is primarily due to the reduction in the scope of work related to HVAC following the curtain wall installation. The initial estimated project cost was \$3,930,000, and the final project cost is approximately \$3,282,300. The estimated cost reduction to homeowners is \$2,000 to \$6,000 depending on the size of the unit.

The chart below depicts the following revised scope of work:

Project	Work to be done	Initial estimated project costs	Final project costs
Curtain Wall Repairs	Curtain wall repairs, perimeter seal repairs, window replacement	\$2,110,000	\$2,000,548.10
HVAC Repairs	Ductwork damper repairs/improvements, system balancing	\$100,000	\$1,700
Elevator Upgrades	4 elevators in need of upgrades	\$925,000	\$845,387.50
Related Costs	Engineering fees, construction, contingency	\$435,700	\$56,887.63
Other Costs	HIA Consultant, Construction Financing, Fees	\$359,300	\$377,776.77
		\$3,930,000	\$3,282,300

The association is now requesting that the city council adopt a new fee resolution and second amendment to the development agreement. The adoption of a new fee resolution is required by state law to finalize the project costs and housing improvement fees. The second amendment to the development agreement includes the proposed language:

- establishes the final project costs of \$3,282,300 and proposed interest rate at 3.35%;
- establishes a new pre-payment window of Oct. 7, 2019, through Nov. 7, 2019;
- adds language to refund owners who previously prepaid the higher estimated housing improvement fee;
- extends the Hennepin County certification date to 2020.

Financing:

Cloud 9 obtained a construction loan to finance the housing improvements, and the city agreed to issue taxable general obligation bonds to pay off the construction loan following the completion of the project. The taxable bonds will have a term of 21 years (20 years of principal payments) with an interest rate of approximately 3.35%. The city will repay the bonds through the collection of housing improvement fees, collected in a similar manner to special assessments. The fee includes ongoing administration, legal and consultant costs in connection with the Housing Improvement Area, including costs related to financing or issuance of the bonds.

Revised Project Timeline

The proposed timeline is as follows:

- Oct. 7, 2019, through Nov. 7, 2019: prepayment option available to homeowners
- Nov. 18, 2019: city council meeting to award bond sale
- Nov. 30, 2019: certify housing fees with Hennepin County
- Dec. 5, 2020: estimated closing date for bonds

Recommendation

Staff recommends that the city council:

- 1) Adopt a resolution approving an amended housing improvement fee for the Cloud 9 Sky Flats Housing Improvement Area
- 2) Adopt a resolution approving the second amendment to the development agreement with respect to the Cloud 9 Sky Flats Housing Improvement Area.
- 3) Adopt a resolution providing for the sale of Housing Improvement Bonds in the amount of \$3,055,000

Submitted through:

Mike Funk, Assistant City Manager
Julie Wischnack, AICP, Community Development Director
Darin Nelson, Finance Director

Originated by:

Alisha Gray, EDFP, Economic Development and Housing Manager

Attachments

- Location Map
- Second Amendment to the Development Agreement
- Public Hearing Notice/Letter to Residents
- Bond Presale Report

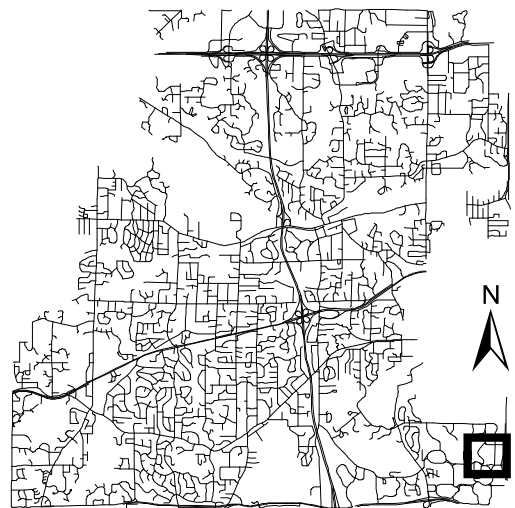
Supplemental Information

[April 2, 2018 – City Council Meeting](#)
[Aug. 28, 2017 – City Council Meeting](#)
[Feb. 27, 2017 – City Council Meeting](#)
[March 16, 2017 – EDAC Meeting](#)



Location Map

Cloud 9 Condominiums
Address: 5601 Smetana Dr



This map is for illustrative purposes only.

**First Draft Sept.
27, 2019**

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

between

CITY OF MINNETONKA, MINNESOTA

and

CLOUD 9 SKY FLATS ASSOCIATION, INC.

Dated October __, 2019

This document was drafted by:
KENNEDY & GRAVEN, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: (612) 337-9300

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT, is made on or as of October __, 2019 (the “Second Amendment to Agreement”), between the CITY OF MINNETONKA, MINNESOTA, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota (the “City”), and CLOUD 9 SKY FLATS ASSOCIATION, INC., a Minnesota nonprofit corporation (the “Association”). This Second Amendment to Agreement amends the Development Agreement, dated August 31, 2017, as amended by the First Amendment to Development Agreement, dated April 2, 2018 (together, the “Original Agreement”), between the City and the Association. All capitalized terms that are not otherwise defined herein shall have the meaning given such terms in the Original Agreement.

WITNESSETH:

WHEREAS, the City is authorized under Minnesota Statutes, Chapter 428A, Sections 11 through 21, as amended (the “Act”), to establish by ordinance a housing improvement area within which housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area; and

WHEREAS, by Ordinance No. 2017-09, adopted on August 28, 2017 (the “Enabling Ordinance”), the Council established the Cloud 9 Sky Flats Housing Improvement Area in order to facilitate certain improvements to property known as the Cloud 9 Sky Flats, which property is legally described in SCHEDULE A attached hereto and is hereafter referred to as the “Property”; and

WHEREAS, by Resolution No. 2017-090, adopted on August 28, 2017, as amended by Resolution No. 2018-038 adopted April 2, 2018 (together, the “Original Fee Resolution”), the City Council imposed a housing improvement fee (the “Fee”) on Housing Units in the Cloud 9 Sky Flats Housing Improvement Area (the “Housing Improvement Area”) in order to finance certain housing improvements in that area; and

WHEREAS, prior to adoption of the Original Fee Resolution by the City Council, the Association submitted to the City a financial plan in accordance with the Act that provides for the Association to finance maintenance and operation of the common elements in the Association and a long-range plan to conduct and finance capital improvements therein; and

WHEREAS, the City and the Association entered into the Original Agreement in order to set forth all of the requirements with respect to the Association’s Housing Improvements within the Housing Improvement Area and the City’s financial assistance for the Housing Improvements; and

WHEREAS, by Resolution No. 2019-__, adopted on October 7, 2019 (the “Amended Fee Resolution”), the City Council amended the Original Fee Resolution in order to extend the prepayment period to November 7, 2019, amend the description of the Housing Improvements and subsequently reduce the Fee per Housing Unit, and allow for the reimbursement to owners who prepaid their Fees based on the reduction in Fee per Housing Unit; and

WHEREAS, the City and the Association are entering into this Second Amendment to Agreement, which amends and supplements the Original Agreement, to modify certain provisions of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

Amendments

Section 1.1. Amendments to Section 1.1 “Definitions.”

(a) Section 1.1 of the Original Agreement is revised to include the following definitions:

“Agreement” means the Original Agreement, as amended by the First Amendment, as further amended by the Second Amendment, and as the same may be from time to time further modified, amended, or supplemented.

“Fee Resolution” means Resolution No. 2017-090, adopted by the Council on August 28, 2017, as amended by Resolution No. 2018-038, adopted by the Council on April 2, 2018, and as further amended by Resolution No. 2019-___, adopted by the Council on October 7, 2019, which imposes the Fee.

“Payment Date” means when principal of or interest on the City Obligation is due, which is currently expected to be each February 1 and August 1, commencing _____, 20___, and continuing through the Maturity Date.

(b) Section 1.1 of the Original Agreement is revised to include following definition:

“Second Amendment” means the Second Amendment to Development Agreement, dated October ___, 2019, between the City and the Association.

Section 1.3. Prepayments of Housing Improvement Fees. Pursuant to the original Fee Resolution adopted on August 28, 2017, owners of each Housing Unit were provided the amount of the Fee due for their Housing Unit and given until April 2, 2018 to prepay the Fee. The Fee Resolution was amended on April 2, 2018 to allow owners of each Housing Unit to prepay the Fee until June 30, 2019. During the prepayment period and after the prepayment period, the Association determined to decrease the scope of the Housing Improvements completed by the Association, which resulted in lower Fees for each Housing Unit. The City intends to reimburse owners who prepaid their Fees on or prior to June 30, 2019, based on the reduction in Fee per Housing Unit. The owners of Housing Units will be required to claim a reimbursement by providing evidence that they paid the Fee on or prior to June 30, 2019. The City shall send a letter to all owners who prepaid their Fee providing direction on how to obtain reimbursement.

Section 1.4. Amendments Exhibits. The Housing Improvements described in Schedule B (Housing Improvements) attached to the Original Agreement are hereby deleted and replaced with the Housing improvements listed in SCHEDULE B attached hereto.

ARTICLE II

Miscellaneous

Section 2.1. Definitions. Any capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Original Agreement. Any references to the “Agreement” or

“this Agreement” in the Original Agreement shall refer to the Original Agreement, as amended and supplemented by this Second Amendment to Agreement, and as may be further amended and supplemented.

Section 2.2. Effective Date. The amendments and supplements made to the Original Agreement, as amended and supplemented by this Second Amendment to Agreement shall be effective as of October ____, 2019.

Section 2.3. Confirmation of Agreement. Except as specifically amended by this Second Amendment to Agreement, the Original Agreement is hereby ratified and confirmed and remains in full force and effect.

IN WITNESS WHEREOF, the City and the Association have caused this Second Amendment to Development Agreement to be executed in their respective names and behalf as of the date and year first written above.

CITY OF MINNETONKA, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of October, 2019, by Brad Wiersum, the Mayor of the City of Minnetonka, Minnesota, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of October, 2019, by Geralyn Barone, the City Manager of the City of Minnetonka, Minnesota, a home rule city, municipal corporation, and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota, on behalf of the City.

Notary Public

Execution page of the Association to the Second Amendment to Development Agreement, dated as of the date and year first written above.

CLOUD 9 SKY FLATS ASSOCIATION, INC.

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of October, 2019, by _____, the _____ of Cloud 9 Sky Flats Association, Inc., a Minnesota nonprofit corporation, on behalf of the Association.

Notary Public

SCHEDULE A

DESCRIPTION OF PROPERTY

Parcel 1:

That Part of the East 665.0 feet of the South 673.6 feet of the North 690.1 feet of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 36, Township 117 North, Range 22, West of the 5th Principal Meridian which lies westerly of the westerly line of County Highway No. 18 as described in final certificate No. 4757011, except that part taken for existing roads.

Parcel 2:

The North 16.5 feet of the West 542.0 feet of the East 632.0 feet of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 36, Township 117 North, Range 22 West of the 5th Principal Meridian.

SCHEDULE B

HOUSING IMPROVEMENTS

Housing Improvements: The ordinance specifies the “Housing Improvements” that will be constructed in Cloud 9 Sky Flats Housing Improvement Area and financed with the Housing Improvement Fee. Those improvements are defined as follows:

- A complete renovation of the curtain wall exterior of the building
- Minor repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building
- Upgrades to the elevator
- All costs of architectural and engineering services in connection with the activities described above
- All administration, legal and consultant costs in connection with the Housing Improvement Area, including without limitation all costs related to financing or issuance of the City Obligation, if any

NOTICE OF PUBLIC HEARING

CITY OF MINNETONKA
COUNTY OF HENNEPIN
STATE OF MINNESOTA

NOTICE OF PUBLIC HEARING CLOUD 9 SKY FLATS HOUSING IMPROVEMENT AREA

NOTICE IS HEREBY GIVEN that the City Council of the City of Minnetonka, Hennepin County, State of Minnesota (the "City"), will hold a public hearing on Monday, Oct. 7, 2019, at or after 6:30 P.M. in the City Council Chambers in City Hall, 14600 Minnetonka Blvd in the City, regarding the adoption of an *amended resolution imposing fees* on housing units within the HIA, all under Minnesota Statutes, Sections 428A.11 through 428A.21, as amended (the "Housing Improvement Act"). The amendments to the resolution include an extended prepayment period and a change to the first year the installment payments are due.

The boundaries of the proposed HIA are shown in the map below. Within the HIA, the City proposes to facilitate various improvements to the Cloud 9 Sky Flats. The improvements would be financed by fees imposed on the owners of units. Details regarding the hearing, the improvements and the fees are described below:



- 1. Persons to be heard:** All interested persons and persons owning housing units in the proposed HIA subject to the fee for housing improvements will be given an opportunity to be heard at the hearing regarding the proposed HIA and the housing improvement fee.

2. Proposed Housing Improvements:

- A complete renovation of the curtain wall exterior of the building
- Minor repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building
- Upgrades to the elevators

3. Estimated Cost of Improvements to be paid in whole or in part by housing improvement fee: \$3,282,300 including construction costs, administrative costs, soft costs, costs of issuing bonds to finance the improvements, and capitalized interest.

4. Amount to be charged against the owner of each housing unit: The total costs are allocated based on the share of common costs that the owner of each unit pays under the Cloud 9 Sky Flats documents. Following are estimates of the fee to be imposed on housing units in the HIA:

The Annual Fee includes interest at the rate of up to 3.35% per annum (the proposed maximum interest rate), and is payable if the unit owner does not prepay the Total Fee as described below.

Unit #	Share	Total Fee	Annual Fee
101	0.5783%	\$18,981.50	\$1,393.37
103	0.5458%	\$17,914.75	\$1,315.63
104	0.6710%	\$22,024.19	\$1,615.12
106	0.9015%	\$29,589.89	\$2,166.51
107	0.5693%	\$18,686.09	\$1,371.84
108	0.5687%	\$18,666.40	\$1,370.41
109	0.6784%	\$22,267.08	\$1,632.82
110	0.5629%	\$18,476.03	\$1,356.53
111	0.5293%	\$17,373.17	\$1,276.16
112	0.5458%	\$17,914.75	\$1,315.63
113	0.6667%	\$21,883.05	\$1,604.84
114	0.5267%	\$17,287.83	\$1,269.94
117	0.6566%	\$21,551.54	\$1,580.68
201	0.5778%	\$18,965.09	\$1,392.18
202	0.5357%	\$17,583.24	\$1,291.47
203	0.5698%	\$18,702.51	\$1,373.04
204	0.7892%	\$25,903.87	\$1,897.87
205	0.4084%	\$13,404.87	\$986.95
206	0.4707%	\$15,449.75	\$1,135.98
207	0.5671%	\$18,613.88	\$1,366.58
208	0.5693%	\$18,686.09	\$1,371.84
209	0.6784%	\$22,267.08	\$1,632.82
210	0.5687%	\$18,666.40	\$1,370.41

Unit #	Share	Total Fee	Annual Fee
518	0.3445%	\$11,307.48	\$834.09
601	0.5788%	\$18,997.91	\$1,394.57
602	0.5368%	\$17,619.35	\$1,294.10
603	0.5698%	\$18,702.51	\$1,373.04
604	0.7913%	\$25,972.80	\$1,902.90
605	0.4079%	\$13,388.46	\$985.75
607	0.8398%	\$27,564.72	\$2,018.92
608	0.7791%	\$25,572.36	\$1,873.71
609	0.7791%	\$25,572.36	\$1,873.71
610	0.5698%	\$18,702.51	\$1,373.04
611	0.5368%	\$17,619.35	\$1,294.10
612	0.5698%	\$18,702.51	\$1,373.04
613	0.7918%	\$25,989.21	\$1,904.09
614	0.4079%	\$13,388.46	\$985.75
616	0.8398%	\$27,564.72	\$2,018.92
617	0.8691%	\$28,526.43	\$2,089.01
618	0.3424%	\$11,238.55	\$829.07
701	0.5794%	\$19,017.61	\$1,396.00
702	0.5368%	\$17,619.35	\$1,294.10
703	0.4606%	\$15,118.23	\$1,111.82
704	0.7918%	\$25,989.21	\$1,904.09
705	0.4079%	\$13,388.46	\$985.75
707	0.8403%	\$27,581.13	\$2,020.11

211	0.5357%	\$17,583.24	\$1,291.47
213	0.7892%	\$25,903.87	\$1,897.87
214	0.4084%	\$13,404.87	\$986.95
215	0.4707%	\$15,449.75	\$1,135.98
216	0.5693%	\$18,686.09	\$1,371.84
217	0.5421%	\$17,793.31	\$1,306.78
218	0.3621%	\$11,885.17	\$876.19
301	0.5778%	\$18,965.09	\$1,392.18
302	0.5357%	\$17,583.24	\$1,291.47
303	0.5698%	\$18,702.51	\$1,373.04
304	0.7886%	\$25,884.18	\$1,896.44
305	0.4084%	\$13,404.87	\$986.95
306	0.4707%	\$15,449.75	\$1,135.98
307	0.5666%	\$18,597.47	\$1,365.38
308	0.7780%	\$25,536.25	\$1,871.08
309	0.7780%	\$25,536.25	\$1,871.08
310	0.5693%	\$18,686.09	\$1,371.84
311	0.5357%	\$17,583.24	\$1,291.47
312	0.5693%	\$18,686.09	\$1,371.84
313	0.7886%	\$25,884.18	\$1,896.44
314	0.4084%	\$13,404.87	\$986.95
315	0.4707%	\$15,449.75	\$1,135.98
316	0.5666%	\$18,597.47	\$1,365.38
317	0.8680%	\$28,490.32	\$2,086.37
318	0.3472%	\$11,396.11	\$840.55
401	0.5783%	\$18,981.50	\$1,393.37
403	0.5698%	\$18,702.51	\$1,373.04
404	0.7892%	\$25,903.87	\$1,897.87
405	0.4084%	\$13,404.87	\$986.95
406	0.4707%	\$15,449.75	\$1,135.98
407	0.5661%	\$18,581.06	\$1,364.19
408	0.7780%	\$25,536.25	\$1,871.08
409	0.7780%	\$25,536.25	\$1,871.08
410	0.5693%	\$18,686.09	\$1,371.84
411	0.5357%	\$17,583.24	\$1,291.47
412	0.5693%	\$18,686.09	\$1,371.84
413	0.7892%	\$25,903.87	\$1,897.87
414	0.4084%	\$13,404.87	\$986.95
415	0.4707%	\$15,449.75	\$1,135.98
416	0.5661%	\$18,581.06	\$1,364.19
417	0.8685%	\$28,506.74	\$2,087.57
418	0.3467%	\$11,379.69	\$839.35
501	0.5788%	\$18,997.91	\$1,394.57
502	0.5368%	\$17,619.35	\$1,294.10

708	0.7785%	\$25,552.67	\$1,872.28
710	0.5698%	\$18,702.51	\$1,373.04
711	0.5368%	\$17,619.35	\$1,294.10
712	0.4601%	\$15,101.82	\$1,110.62
713	0.7913%	\$25,972.80	\$1,902.90
714	0.4079%	\$13,388.46	\$985.75
716	0.8403%	\$27,581.13	\$2,020.11
717	0.8696%	\$28,542.84	\$2,090.20
718	0.3477%	\$11,412.52	\$841.74
801	0.5788%	\$18,997.91	\$1,394.57
802	0.5368%	\$17,619.35	\$1,294.10
803	0.4606%	\$15,118.23	\$1,111.82
804	0.7918%	\$25,989.21	\$1,904.09
805	0.4079%	\$13,388.46	\$985.75
807	0.8392%	\$27,545.02	\$2,017.48
808	0.7785%	\$25,552.67	\$1,872.28
810	0.5698%	\$18,702.51	\$1,373.04
811	0.5368%	\$17,619.35	\$1,294.10
812	0.4606%	\$15,118.23	\$1,111.82
813	0.7913%	\$25,972.80	\$1,902.90
814	0.4079%	\$13,388.46	\$985.75
816	0.8398%	\$27,564.72	\$2,018.92
817	0.8696%	\$28,542.84	\$2,090.20
901	0.5794%	\$19,017.61	\$1,396.00
902	0.5373%	\$17,635.76	\$1,295.29
904	0.7918%	\$25,989.21	\$1,904.09
907	0.8392%	\$27,545.02	\$2,017.48
908	0.7785%	\$25,552.67	\$1,872.28
909	0.7791%	\$25,572.36	\$1,873.71
910	0.5698%	\$18,702.51	\$1,373.04
912	0.4606%	\$15,118.23	\$1,111.82
913	0.7913%	\$25,972.80	\$1,902.90
916	0.8430%	\$27,669.75	\$2,026.57
917	0.8696%	\$28,542.84	\$2,090.20
1001	0.5788%	\$18,997.91	\$1,394.57
1002	0.5368%	\$17,619.35	\$1,294.10
1003	0.4601%	\$15,101.82	\$1,110.62
1004	0.7918%	\$25,989.21	\$1,904.09
1005	0.4079%	\$13,388.46	\$985.75
1007	0.8430%	\$27,669.75	\$2,026.57
1008	0.5906%	\$19,385.22	\$1,422.79
1009	0.8312%	\$27,282.44	\$1,998.34
1010	0.5698%	\$18,702.51	\$1,373.04
1011	0.5368%	\$17,619.35	\$1,294.10

504	1.3616%	\$44,691.76	\$3,267.13
505	0.4079%	\$13,388.46	\$985.75
507	0.8392%	\$27,545.02	\$2,017.48
508	0.7791%	\$25,572.36	\$1,873.71
509	0.7791%	\$25,572.36	\$1,873.71
510	0.5698%	\$18,702.51	\$1,373.04
511	0.5368%	\$17,619.35	\$1,294.10
512	0.5703%	\$18,718.92	\$1,374.23
513	0.7918%	\$25,989.21	\$1,904.09
514	0.4079%	\$13,388.46	\$985.75
516	0.8398%	\$27,564.72	\$2,018.92
517	0.8696%	\$28,542.84	\$2,090.20

1012	0.4606%	\$15,118.23	\$1,111.82
1013	0.7918%	\$25,989.21	\$1,904.09
1014	0.4084%	\$13,404.87	\$986.95
1016	0.8430%	\$27,669.75	\$2,026.57

5. **Owner's right to prepay:** Housing unit owners may prepay the Total Fee in full on or before Nov. 7, 2019. *After Nov. 7, 2019, the fee may not be prepaid.* The Total Fee may only be prepaid in full and may not be prepaid in part.

6. **Number of years the fee will be in effect:** If owners do not prepay the Total Fee, the Annual Fee will be imposed in equal installments over a 20 year period. The first installment will be payable in 2020. The annual installments will be in the amount of the Annual Fee, described in paragraph 4 above.

7. **Compliance with Petition Requirement:** Owners of more than 60% of the housing units that would be subject to the proposed fee in the HIA, have filed a petition with the City Clerk requesting a public hearing on both the ordinance creating the HIA, and the proposed fee, in accordance with Section 428A.12 of the Housing Improvement Act and the City's housing assistance policy (the policy increases the required percentage from 50% to 60%).

For further information on the proposed HIA and housing improvement fee, contact Alisha Gray at City Hall, 952-939-8285.

Dated: Sept. 26, 2019

BY ORDER OF THE CITY COUNCIL
OF THE CITY OF MINNETONKA,
MINNESOTA

/s/ Becky Koosman
City Clerk
City of Minnetonka, Minnesota

October 7, 2019

Pre-Sale Report for

City of Minnetonka, Minnesota

\$3,055,000 Taxable General Obligation Housing
Improvement Bonds, Series 2019A



Prepared by:

Jason Aarsvold, CIPMA
Senior Municipal Advisor

Stacie Kvilvang, CIPMA
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$3,055,000 Taxable General Obligation Housing Improvement Bonds, Series 2019A
Purposes:	The proposed issue provides financing for housing improvements within the Cloud 9 Sky Flats Housing Improvement Area, including: Curtain wall repair, HVAC repairs, and elevator repairs. Debt service will be paid from housing improvement area fees.
Authority:	The Bonds are being issued pursuant to Minnesota Statutes, Chapters: <ul style="list-style-type: none"> • 428A • 475 The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.
Term/Call Feature:	The Bonds are being issued for a term of 21 years (20 years of principal payments). Principal on the Bonds will be due on February 1 in the years 2021 through 2040. Interest is payable every six months beginning August 1, 2020. The Bonds will be subject to prepayment at the discretion of the City on February 1, 2029 or any date thereafter.
Bank Qualification:	Because the Bonds are taxable obligations they will not be designated as “bank qualified” obligations.
Rating:	The City’s most recent bond issues were rated by Moody’s Investors Service. The current ratings on those bonds are “Aaa”. The City will request a new rating for the Bonds.
Basis for Recommendation:	Based on our knowledge of your situation, your objectives communicated to us, and the characteristics of various municipal financing options, we are recommending the issuance of taxable general obligation bonds as a suitable financing option. This is the most efficient and cost-effective option authorized under state law for this type of project and is in keeping with the City’s practices and policies.

<p>Method of Sale/Placement:</p>	<p>We will solicit competitive bids for the purchase of the Bonds from underwriters and banks.</p> <p>We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.</p>
<p>Premium Pricing:</p>	<p>In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City. The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds we have been directed to use the net premium to reduce the size of the issue. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.</p> <p>The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.</p>
<p>Review of Existing Debt:</p>	<p>We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
<p>Continuing Disclosure:</p>	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and contracts with another firm to provide these services.</p>

Arbitrage Monitoring:	The Bonds are taxable obligations and are therefore not subject to IRS arbitrage and yield restriction requirements.
Risk Factors:	Housing Improvement Area Fees: We have assumed pre-paid Housing Improvement Area fees in the amount of \$227,300 and we have assumed that the remaining fees are levied as projected. If the City receives a significantly higher amount of pre-paid Housing Improvement Area fees or does not levy or collect the fees as anticipated, it may create a shortfall to pay annual debt service.
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Counsel: Kennedy & Graven, Chartered Paying Agent: Bond Trust Services Corporation Rating Agency: Moody's Investors Service, Inc.</p>
Summary:	<p>The decisions to be made by the City Council are as follows:</p> <ul style="list-style-type: none"> • Accept or modify the finance assumptions described in this report • Adopt the resolution attached to this report.

This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.

Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	October 7, 2019
Due Diligence Call to review Official Statement:	Week of October 21, 2019
Distribute Official Statement:	Week of October 28, 2019
Conference with Rating Agency:	Week of November 4, 2019
City Council Meeting to Award Sale of the Bonds:	November 18, 2019
Estimated Closing Date:	December 5, 2019

Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule

Resolution Authorizing Ehlers to Proceed With Bond Sale

Ehlers Contacts

Municipal Advisors:	Jason Aarsvold	(651) 697-8512
	Stacie Kvilvang	(651) 697-8506
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

The Preliminary Official Statement for this financing will be sent to the City Council at their home or email address for review prior to the sale date.

City of Minnetonka, Minnesota

\$3,055,000 Taxable G.O. Housing Improvement Bonds, Series 2019A
20 Year - Level Debt Service
Assumes Current Market Taxable "AAA" Rates plus 25bps

Sources & Uses

Dated 12/05/2019 | Delivered 12/05/2019

Sources Of Funds

Par Amount of Bonds	\$3,055,000.00
Prepaid Assessments	227,300.00
Total Sources	\$3,282,300.00

Uses Of Funds

Total Underwriter's Discount (1.200%)	36,660.00
Costs of Issuance	50,000.00
Deposit to Project Construction Fund	3,192,000.00
Rounding Amount	3,640.00
Total Uses	\$3,282,300.00

City of Minnetonka, Minnesota

\$3,055,000 Taxable G.O. Housing Improvement Bonds, Series 2019A

20 Year - Level Debt Service

Assumes Current Market Taxable "AAA" Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/05/2019	-	-	-	-	-
08/01/2020	-	-	60,878.17	60,878.17	-
02/01/2021	105,000.00	2.250%	46,432.50	151,432.50	212,310.67
08/01/2021	-	-	45,251.25	45,251.25	-
02/01/2022	120,000.00	2.350%	45,251.25	165,251.25	210,502.50
08/01/2022	-	-	43,841.25	43,841.25	-
02/01/2023	125,000.00	2.400%	43,841.25	168,841.25	212,682.50
08/01/2023	-	-	42,341.25	42,341.25	-
02/01/2024	125,000.00	2.450%	42,341.25	167,341.25	209,682.50
08/01/2024	-	-	40,810.00	40,810.00	-
02/01/2025	130,000.00	2.550%	40,810.00	170,810.00	211,620.00
08/01/2025	-	-	39,152.50	39,152.50	-
02/01/2026	130,000.00	2.600%	39,152.50	169,152.50	208,305.00
08/01/2026	-	-	37,462.50	37,462.50	-
02/01/2027	135,000.00	2.700%	37,462.50	172,462.50	209,925.00
08/01/2027	-	-	35,640.00	35,640.00	-
02/01/2028	140,000.00	2.750%	35,640.00	175,640.00	211,280.00
08/01/2028	-	-	33,715.00	33,715.00	-
02/01/2029	145,000.00	2.850%	33,715.00	178,715.00	212,430.00
08/01/2029	-	-	31,648.75	31,648.75	-
02/01/2030	145,000.00	2.950%	31,648.75	176,648.75	208,297.50
08/01/2030	-	-	29,510.00	29,510.00	-
02/01/2031	150,000.00	3.000%	29,510.00	179,510.00	209,020.00
08/01/2031	-	-	27,260.00	27,260.00	-
02/01/2032	155,000.00	3.100%	27,260.00	182,260.00	209,520.00
08/01/2032	-	-	24,857.50	24,857.50	-
02/01/2033	160,000.00	3.200%	24,857.50	184,857.50	209,715.00
08/01/2033	-	-	22,297.50	22,297.50	-
02/01/2034	165,000.00	3.300%	22,297.50	187,297.50	209,595.00
08/01/2034	-	-	19,575.00	19,575.00	-
02/01/2035	170,000.00	3.350%	19,575.00	189,575.00	209,150.00
08/01/2035	-	-	16,727.50	16,727.50	-
02/01/2036	180,000.00	3.400%	16,727.50	196,727.50	213,455.00
08/01/2036	-	-	13,667.50	13,667.50	-
02/01/2037	185,000.00	3.450%	13,667.50	198,667.50	212,335.00
08/01/2037	-	-	10,476.25	10,476.25	-
02/01/2038	190,000.00	3.500%	10,476.25	200,476.25	210,952.50
08/01/2038	-	-	7,151.25	7,151.25	-
02/01/2039	195,000.00	3.550%	7,151.25	202,151.25	209,302.50
08/01/2039	-	-	3,690.00	3,690.00	-
02/01/2040	205,000.00	3.600%	3,690.00	208,690.00	212,380.00
Total	\$3,055,000.00	-	\$1,157,460.67	\$4,212,460.67	-

Yield Statistics

Bond Year Dollars	\$35,645.22
Average Life	11.668 Years
Average Coupon	3.2471692%
Net Interest Cost (NIC)	3.3500161%
True Interest Cost (TIC)	3.3522581%
Bond Yield for Arbitrage Purposes	3.2229929%
All Inclusive Cost (AIC)	3.5322021%

IRS Form 8038

Net Interest Cost	3.2471692%
Weighted Average Maturity	11.668 Years

Series 2019A TAX GO Housi | SINGLE PURPOSE | 9/30/2019 | 4:12 PM



City of Minnetonka, Minnesota

\$3,055,000 Taxable G.O. Housing Improvement Bonds, Series 2019A

20 Year - Level Debt Service

Assumes Current Market Taxable "AAA" Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2020	-	-	-	-	-
02/01/2021	105,000.00	2.250%	107,310.67	212,310.67	222,926.20
02/01/2022	120,000.00	2.350%	90,502.50	210,502.50	221,027.63
02/01/2023	125,000.00	2.400%	87,682.50	212,682.50	223,316.63
02/01/2024	125,000.00	2.450%	84,682.50	209,682.50	220,166.63
02/01/2025	130,000.00	2.550%	81,620.00	211,620.00	222,201.00
02/01/2026	130,000.00	2.600%	78,305.00	208,305.00	218,720.25
02/01/2027	135,000.00	2.700%	74,925.00	209,925.00	220,421.25
02/01/2028	140,000.00	2.750%	71,280.00	211,280.00	221,844.00
02/01/2029	145,000.00	2.850%	67,430.00	212,430.00	223,051.50
02/01/2030	145,000.00	2.950%	63,297.50	208,297.50	218,712.38
02/01/2031	150,000.00	3.000%	59,020.00	209,020.00	219,471.00
02/01/2032	155,000.00	3.100%	54,520.00	209,520.00	219,996.00
02/01/2033	160,000.00	3.200%	49,715.00	209,715.00	220,200.75
02/01/2034	165,000.00	3.300%	44,595.00	209,595.00	220,074.75
02/01/2035	170,000.00	3.350%	39,150.00	209,150.00	219,607.50
02/01/2036	180,000.00	3.400%	33,455.00	213,455.00	224,127.75
02/01/2037	185,000.00	3.450%	27,335.00	212,335.00	222,951.75
02/01/2038	190,000.00	3.500%	20,952.50	210,952.50	221,500.13
02/01/2039	195,000.00	3.550%	14,302.50	209,302.50	219,767.63
02/01/2040	205,000.00	3.600%	7,380.00	212,380.00	222,999.00
Total	\$3,055,000.00	-	\$1,157,460.67	\$4,212,460.67	\$4,423,083.70

Significant Dates

Dated	12/05/2019
First Coupon Date	8/01/2020

Yield Statistics

Bond Year Dollars	\$35,645.22
Average Life	11.668 Years
Average Coupon	3.2471692%
Net Interest Cost (NIC)	3.3500161%
True Interest Cost (TIC)	3.3522581%
Bond Yield for Arbitrage Purposes	3.2229929%
All Inclusive Cost (AIC)	3.5322021%

IRS Form 8038

Net Interest Cost	3.2471692%
Weighted Average Maturity	11.668 Years

City of Minnetonka, Minnesota

\$3,055,000 Taxable G.O. Housing Improvement Bonds, Series 2019A
20 Year - Level Debt Service
Assumes Current Market Taxable "AAA" Rates plus 25bps

Detail Costs Of Issuance

Dated 12/05/2019 | Delivered 12/05/2019

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$25,000.00
Bond Counsel	\$12,000.00
Rating Agency Fee	\$12,000.00
Miscellaneous	\$1,000.00
TOTAL	\$50,000.00

Resolution No. _____

Councilmember _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$3,055,000 Taxable General Obligation Housing Improvement Bonds, Series 2019A**

- A. WHEREAS, the City Council of the City of Minnetonka, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$3,055,000 Taxable General Obligation Housing Improvement Bonds, Series 2019A (the "Bonds"), to finance housing improvements within the Cloud 9 Sky Flats Housing Improvement Area in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 6:30 on November 18, 2019, for the purpose of considering proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by City Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 7th day of October 2019.

Brad Wiersum, Mayor

Resolution No. 2019-

Resolution amending a resolution approving a housing improvement fee for the Cloud 9 Sky Flats Housing Improvement Area

Be it resolved by the City Council (the "Council") of the City of Minnetonka, Minnesota (the "City") as follows:

Section 1. Background.

- 1.01. The City is authorized under Minnesota Statutes, Sections 428A.11 through 428A.21, as amended (the "Act"), to establish by ordinance a housing improvement area within which housing improvements are made or constructed, and the costs of the improvements are paid in whole or in part from fees imposed within the area.
- 1.02. The Council adopted a Housing Improvement Area Policy on Nov. 14, 2011 (the "Policy").
- 1.03. By Ordinance No. 2017-09, adopted by the Council on Aug. 28, 2017 (the "Enabling Ordinance"), the Council established the Cloud 9 Sky Flats Housing Improvement Area (the "Housing Improvement Area") in order to facilitate certain improvements to property known as the "Cloud 9 Sky Flats" all in accordance with the Policy.
- 1.04. In accordance with Section 428A.12 of the Act and the City's Housing Improvement Area Policy, owners of at least sixty percent (60%) of the housing units within the Housing Improvement Area filed a petition with the City Clerk requesting a public hearing regarding imposition of a housing improvement fee for the Housing Improvement Area.
- 1.05. By Resolution No. 2017-090, adopted by the Council on Aug. 28, 2017, as amended by Resolution No. 2018-038, adopted by the Council on April 2, 2018 (together, the "Original Fee Resolution"), the Council imposed a housing improvement fee on the housing units within the Housing Improvement Area in order to finance the housing improvements within the Housing Improvement Area.
- 1.06. The improvements authorized by the Enabling Ordinance included a complete renovation of the curtain wall exterior of the building, major repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building, and upgrades to the elevator (collectively, the "Housing Improvements").
- 1.07. The total cost of the Housing Improvements was estimated to be \$3,930,000, including construction costs, administrative costs, soft costs, costs of issuing bonds to finance the Housing Improvements, and capitalized interest. The Original Fee Resolution established the housing fee per housing unit (the "Housing Improvement Fee") based on the total project costs.
- 1.08. The Original Fee Resolution allowed owners to prepay their Housing Improvement Fee in total at any time between May 18, 2018, and June 30, 2019. After June 30, 2019, owners were not allowed to prepay their Housing Improvement Fee.

- 1.09. The City and Cloud 9 Sky Flats Association, Inc., a Minnesota nonprofit corporation (the "Association"), entered into a Development Agreement, dated Aug. 31, 2017, as amended by the First Amendment to Development Agreement, dated April 2, 2018 (together, the "Original Agreement"), providing for the development of the Housing Improvements.
- 1.10. The City has consulted with the Association, and the Association has informed the City that the repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building will not be as extensive as previously anticipated. As a result, the total cost of the Housing Improvements is now estimated to be \$3,282,300.
- 1.11. The Association has requested that the City amend the Original Fee Resolution in order to reduce the Housing Improvement Fee allocable to each owner based on the reduced total project costs.
- 1.12. As a result of the reduced total project costs, the Association has requested that the City reimburse the owners who prepaid their Housing Improvement Fees for a portion of the Housing Improvement Fee allocable to the repairs to the heating, ventilating and air conditioning (HVAC) systems of the building. The Association has also requested that the City amend the Original Fee Resolution to authorize such reimbursement.
- 1.13. The Association has also requested that the City amend the Fee Resolution by extending the pre-payment period for the Housing Improvement Fees.
- 1.14. On the date hereof, the Council conducted a public hearing, duly noticed in accordance with Section 428A.13 of the Act, regarding adoption of this resolution, which amends the Original Fee Resolution, at which all persons, including owners of property within the Housing Improvement Area, were given an opportunity to be heard.

Section 2. Approvals.

- 2.01. The Original Fee Resolution is hereby amended as described in this Section 2.
- 2.02. The Housing Improvement Fee allocable to each unit is set forth in EXHIBIT A attached hereto. This EXHIBIT A shall supersede and replace Exhibit A attached to the Original Fee Resolution.
- 2.03. Owners who prepaid their Housing Improvement Fees shall be reimbursed in the amount representing the difference between the Housing Improvement Fee previously prepaid and the amount shown under the heading Total Assessment (principal/prepayment amount) in EXHIBIT A attached hereto (the "Total Prepayment Fee") following submittal by the owner of evidence that they paid the Housing Improvement Fee on or prior to June 30, 2019.
- 2.04. The owner of any housing unit in the Housing Improvement Area may prepay the Housing Improvement Fee in total at any time between the date hereof and Nov.

7, 2019. The Total Prepayment Fee is shown under the heading Total Assessment (principal/pre-payment amount) in EXHIBIT A attached hereto. Partial prepayment of the Housing Improvement Fee is not permitted. Prepayment must be made to the City. After expiration of the prepayment period on Nov. 7, 2019, owners may not prepay any portion of the Housing Improvement Fee.

- 2.05. If the Total Prepayment Fee is not prepaid pursuant to Section 2.04 hereof, the Housing Improvement Fee will be imposed as an annual fee, in the amount shown under the heading Total Annual Fee in EXHIBIT A attached hereto. The Housing Improvement Fee will be imposed in equal annual installments for a period of twenty years, with the first installment payable in calendar year 2020. Interest at the rate of up to 3.35% per annum shall accrue on the principal amount of the Housing Improvement Fee for each unit from Nov. 7, 2019. The Total Annual Fee also includes an amount of \$10.00 per unit to compensate the City for administrative costs related to the Housing Improvement Area and \$190.00 per unit for the City's ongoing consulting costs relating to the issuance of bonds or internal financing to finance the Housing Improvements. The Total Annual Fee also includes an amount to compensate Hennepin County, Minnesota (the "County") for its administrative costs as described in Section 2.06 of the Original Fee Resolution.
- 2.06. Except as amended by this resolution, the Original Fee Resolution is hereby ratified and confirmed.
- Section 3. Notice of Right to File Objections. Within five days after the adoption of this resolution, the City Clerk is directed to mail the following to the owner of each housing unit in the Housing Improvement Area: a summary of this resolution, notice that owners of at least forty-five percent (45%) of the housing units' tax capacity subject to the Housing Improvement Fee may veto this resolution by filing a written objection with the City Clerk before the effective date of this resolution, and notice that a copy of this resolution is on file with the City Clerk for public inspection.
- Section 4. Effective Date. This amended resolution shall be effective on the date hereof, subject to the veto rights of housing unit owners under Section 428A.18 of the Act.
- Section 5. Filing of Housing Improvement Fee. After the effective date of this resolution, the City Clerk is directed to file a certified copy of this resolution with the County to be recorded on the property tax lists of the County for taxes payable in 2020 and thereafter.

Adopted by the City Council of the City of Minnetonka, Minnesota this 7th day of Oct. 2019.

Brad Wiersum, Mayor

ATTEST:

Becky Koosman, City Clerk

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on Oct. 7, 2019.

Becky Koosman, City Clerk

EXHIBIT A

AMENDED

HOUSING IMPROVEMENT FEE BY UNIT

Unit #	Share	Total Fee	Annual Fee
101	0.5783%	\$18,981.50	\$1,393.37
103	0.5458%	\$17,914.75	\$1,315.63
104	0.6710%	\$22,024.19	\$1,615.12
106	0.9015%	\$29,589.89	\$2,166.51
107	0.5693%	\$18,686.09	\$1,371.84
108	0.5687%	\$18,666.40	\$1,370.41
109	0.6784%	\$22,267.08	\$1,632.82
110	0.5629%	\$18,476.03	\$1,356.53
111	0.5293%	\$17,373.17	\$1,276.16
112	0.5458%	\$17,914.75	\$1,315.63
113	0.6667%	\$21,883.05	\$1,604.84
114	0.5267%	\$17,287.83	\$1,269.94
117	0.6566%	\$21,551.54	\$1,580.68
201	0.5778%	\$18,965.09	\$1,392.18
202	0.5357%	\$17,583.24	\$1,291.47
203	0.5698%	\$18,702.51	\$1,373.04
204	0.7892%	\$25,903.87	\$1,897.87
205	0.4084%	\$13,404.87	\$986.95
206	0.4707%	\$15,449.75	\$1,135.98
207	0.5671%	\$18,613.88	\$1,366.58
208	0.5693%	\$18,686.09	\$1,371.84
209	0.6784%	\$22,267.08	\$1,632.82
210	0.5687%	\$18,666.40	\$1,370.41
211	0.5357%	\$17,583.24	\$1,291.47
213	0.7892%	\$25,903.87	\$1,897.87
214	0.4084%	\$13,404.87	\$986.95
215	0.4707%	\$15,449.75	\$1,135.98
216	0.5693%	\$18,686.09	\$1,371.84
217	0.5421%	\$17,793.31	\$1,306.78
218	0.3621%	\$11,885.17	\$876.19
301	0.5778%	\$18,965.09	\$1,392.18
302	0.5357%	\$17,583.24	\$1,291.47
303	0.5698%	\$18,702.51	\$1,373.04
304	0.7886%	\$25,884.18	\$1,896.44
305	0.4084%	\$13,404.87	\$986.95
306	0.4707%	\$15,449.75	\$1,135.98
307	0.5666%	\$18,597.47	\$1,365.38
308	0.7780%	\$25,536.25	\$1,871.08

Unit #	Share	Total Fee	Annual Fee
518	0.3445%	\$11,307.48	\$834.09
601	0.5788%	\$18,997.91	\$1,394.57
602	0.5368%	\$17,619.35	\$1,294.10
603	0.5698%	\$18,702.51	\$1,373.04
604	0.7913%	\$25,972.80	\$1,902.90
605	0.4079%	\$13,388.46	\$985.75
607	0.8398%	\$27,564.72	\$2,018.92
608	0.7791%	\$25,572.36	\$1,873.71
609	0.7791%	\$25,572.36	\$1,873.71
610	0.5698%	\$18,702.51	\$1,373.04
611	0.5368%	\$17,619.35	\$1,294.10
612	0.5698%	\$18,702.51	\$1,373.04
613	0.7918%	\$25,989.21	\$1,904.09
614	0.4079%	\$13,388.46	\$985.75
616	0.8398%	\$27,564.72	\$2,018.92
617	0.8691%	\$28,526.43	\$2,089.01
618	0.3424%	\$11,238.55	\$829.07
701	0.5794%	\$19,017.61	\$1,396.00
702	0.5368%	\$17,619.35	\$1,294.10
703	0.4606%	\$15,118.23	\$1,111.82
704	0.7918%	\$25,989.21	\$1,904.09
705	0.4079%	\$13,388.46	\$985.75
707	0.8403%	\$27,581.13	\$2,020.11
708	0.7785%	\$25,552.67	\$1,872.28
710	0.5698%	\$18,702.51	\$1,373.04
711	0.5368%	\$17,619.35	\$1,294.10
712	0.4601%	\$15,101.82	\$1,110.62
713	0.7913%	\$25,972.80	\$1,902.90
714	0.4079%	\$13,388.46	\$985.75
716	0.8403%	\$27,581.13	\$2,020.11
717	0.8696%	\$28,542.84	\$2,090.20
718	0.3477%	\$11,412.52	\$841.74
801	0.5788%	\$18,997.91	\$1,394.57
802	0.5368%	\$17,619.35	\$1,294.10
803	0.4606%	\$15,118.23	\$1,111.82
804	0.7918%	\$25,989.21	\$1,904.09
805	0.4079%	\$13,388.46	\$985.75
807	0.8392%	\$27,545.02	\$2,017.48

309	0.7780%	\$25,536.25	\$1,871.08
310	0.5693%	\$18,686.09	\$1,371.84
311	0.5357%	\$17,583.24	\$1,291.47
312	0.5693%	\$18,686.09	\$1,371.84
313	0.7886%	\$25,884.18	\$1,896.44
314	0.4084%	\$13,404.87	\$986.95
315	0.4707%	\$15,449.75	\$1,135.98
316	0.5666%	\$18,597.47	\$1,365.38
317	0.8680%	\$28,490.32	\$2,086.37
318	0.3472%	\$11,396.11	\$840.55
401	0.5783%	\$18,981.50	\$1,393.37
403	0.5698%	\$18,702.51	\$1,373.04
404	0.7892%	\$25,903.87	\$1,897.87
405	0.4084%	\$13,404.87	\$986.95
406	0.4707%	\$15,449.75	\$1,135.98
407	0.5661%	\$18,581.06	\$1,364.19
408	0.7780%	\$25,536.25	\$1,871.08
409	0.7780%	\$25,536.25	\$1,871.08
410	0.5693%	\$18,686.09	\$1,371.84
411	0.5357%	\$17,583.24	\$1,291.47
412	0.5693%	\$18,686.09	\$1,371.84
413	0.7892%	\$25,903.87	\$1,897.87
414	0.4084%	\$13,404.87	\$986.95
415	0.4707%	\$15,449.75	\$1,135.98
416	0.5661%	\$18,581.06	\$1,364.19
417	0.8685%	\$28,506.74	\$2,087.57
418	0.3467%	\$11,379.69	\$839.35
501	0.5788%	\$18,997.91	\$1,394.57
502	0.5368%	\$17,619.35	\$1,294.10
504	1.3616%	\$44,691.76	\$3,267.13
505	0.4079%	\$13,388.46	\$985.75
507	0.8392%	\$27,545.02	\$2,017.48
508	0.7791%	\$25,572.36	\$1,873.71
509	0.7791%	\$25,572.36	\$1,873.71
510	0.5698%	\$18,702.51	\$1,373.04
511	0.5368%	\$17,619.35	\$1,294.10
512	0.5703%	\$18,718.92	\$1,374.23
513	0.7918%	\$25,989.21	\$1,904.09
514	0.4079%	\$13,388.46	\$985.75
516	0.8398%	\$27,564.72	\$2,018.92
517	0.8696%	\$28,542.84	\$2,090.20

808	0.7785%	\$25,552.67	\$1,872.28
810	0.5698%	\$18,702.51	\$1,373.04
811	0.5368%	\$17,619.35	\$1,294.10
812	0.4606%	\$15,118.23	\$1,111.82
813	0.7913%	\$25,972.80	\$1,902.90
814	0.4079%	\$13,388.46	\$985.75
816	0.8398%	\$27,564.72	\$2,018.92
817	0.8696%	\$28,542.84	\$2,090.20
901	0.5794%	\$19,017.61	\$1,396.00
902	0.5373%	\$17,635.76	\$1,295.29
904	0.7918%	\$25,989.21	\$1,904.09
907	0.8392%	\$27,545.02	\$2,017.48
908	0.7785%	\$25,552.67	\$1,872.28
909	0.7791%	\$25,572.36	\$1,873.71
910	0.5698%	\$18,702.51	\$1,373.04
912	0.4606%	\$15,118.23	\$1,111.82
913	0.7913%	\$25,972.80	\$1,902.90
916	0.8430%	\$27,669.75	\$2,026.57
917	0.8696%	\$28,542.84	\$2,090.20
1001	0.5788%	\$18,997.91	\$1,394.57
1002	0.5368%	\$17,619.35	\$1,294.10
1003	0.4601%	\$15,101.82	\$1,110.62
1004	0.7918%	\$25,989.21	\$1,904.09
1005	0.4079%	\$13,388.46	\$985.75
1007	0.8430%	\$27,669.75	\$2,026.57
1008	0.5906%	\$19,385.22	\$1,422.79
1009	0.8312%	\$27,282.44	\$1,998.34
1010	0.5698%	\$18,702.51	\$1,373.04
1011	0.5368%	\$17,619.35	\$1,294.10
1012	0.4606%	\$15,118.23	\$1,111.82
1013	0.7918%	\$25,989.21	\$1,904.09
1014	0.4084%	\$13,404.87	\$986.95
1016	0.8430%	\$27,669.75	\$2,026.57

Resolution No. 2019-

**Resolution approving a second amendment to the development agreement
with respect to the Cloud 9 Sky Flats Housing Improvement Area**

Be it resolved by the City Council (the "Council") of the City of Minnetonka, Minnesota (the "City") as follows:

Section 1. Background.

- 1.01. The City is authorized under Minnesota Statutes, Sections 428A.11 through 428A.21, as amended (the "Act"), to establish by ordinance a housing improvement area within which housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

- 1.02. By Ordinance No. 2017-09, adopted by the Council on Aug. 28, 2017 (the "Enabling Ordinance"), the Council established the Cloud 9 Sky Flats Housing Improvement Area (the "Housing Improvement Area") in order to facilitate certain housing improvements to property known as the "Cloud 9 Sky Flats."

- 1.03. By Resolution No. 2017-090, adopted by the Council on Aug. 28, 2017, as amended by Resolution No. 2018-038, adopted by the Council on April 2, 2018 (together, the "Original Fee Resolution"), the Council imposed a housing improvement fee (the "Housing Improvement Fee") on the housing units within the Housing Improvement Area in order to finance the housing improvements within the Housing Improvement Area.

- 1.04. The City and Cloud 9 Sky Flats Association, Inc., a Minnesota nonprofit corporation (the "Association"), entered into a Development Agreement, dated Aug. 31, 2017, as amended by the First Amendment to Development Agreement, dated April 2, 2018 (as amended, the "Original Development Agreement"), which set forth the respective obligations of the City and the Association with respect to the development of the housing improvements, which included a complete renovation of the curtain wall exterior of the building, major repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building, and upgrades to the elevator (collectively, the "Housing Improvements").

- 1.05. Subsequent to the execution and delivery of the Original Development Agreement, the Association informed the City that the repairs to the heating, ventilating, and air conditioning (HVAC) systems of the building will not be as extensive as previously anticipated. As a result, the total project costs associated with the Housing Improvements have been reduced.

- 1.06. On the date hereof, the Council conducted a duly noticed public hearing on and approved an amendment to the Original Fee Resolution, which reduced the Housing Improvement Fee based on the reduced total project costs, authorized the partial reimbursement to owners who prepaid their Housing Improvement Fee based on the reduced total project costs, extended the prepayment period to

Nov. 7, 2019, and postponed the first installment of the Housing Improvement Fees until 2020.

1.07. There has been presented to this Council a form of Second Amendment to Development Agreement (the "Second Amendment to Development Agreement") proposed to be entered into between the City and the Association, which amends the Original Agreement with respect to, among other things, the description of the Housing Improvements.

Section 2. Approval.

2.01. The Mayor and the City Manager are hereby authorized and directed to execute on behalf of the City the Second Amendment to Development Agreement in substantially the form presented to the Council on this date, subject to modifications that do not materially alter the City's rights and obligations under such agreement and that are approved by the Mayor and the City Manager, which approval shall be conclusively evidenced by execution of the Second Amendment to Development Agreement.

2.02. City officials, staff, and consultants are hereby authorized and directed to take any and all steps necessary or convenient in order to carry out the City's obligations under the Original Development Agreement, as amended by the Second Amendment to Development Agreement.

Section 3. Effective Date. This resolution shall be in full force and effect from and after its approval.

Adopted by the City Council of the City of Minnetonka, Minnesota this 7th day of Oct., 2019.

Brad Wiersum, Mayor

ATTEST:

Becky Koosman, City Clerk

ACTION ON THIS RESOLUTION:

Motion for adoption:

Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on Oct. 7, 2019.

Becky Koosman, City Clerk

Resolution No. 2019-

Resolution providing for the sale of \$3,055,000 taxable general obligation housing improvement bonds, Series 2019A

- A. WHEREAS, the City Council of the City of Minnetonka, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$3,055,000 Taxable General Obligation Housing Improvement Bonds, Series 2019A (the "Bonds"), to finance housing improvements within the Cloud 9 Sky Flats Housing Improvement Area in the City; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 6:30 on Nov. 18, 2019, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

Adopted by the City Council of the City of Minnetonka, Minnesota, on Oct. 7, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on Oct. 7, 2019.

Becky Koosman, City Clerk

Resolution No. 2019-

Resolution awarding the sale of Taxable General Obligation Housing Improvement Bonds, Series 2019A, in the original aggregate principal amount of \$2,690,000; fixing their form and specifications; directing their execution and delivery; and providing for their payment

Be it resolved by the City Council (the "Council") of the City of Minnetonka, Minnesota (the "City") as follows:

Section 1. Sale of Bonds.

1.01. Background.

(a) The City has previously established the Cloud 9 Sky Flats Housing Improvement Area (the "Housing Improvement Area") in order to facilitate certain housing improvements (the "Housing Improvements") to property known as Cloud 9 Sky Flats, which is governed by Cloud 9 Sky Flats Association, Inc. (the "Association"). The City Council has previously imposed a housing improvement fee (the "Housing Fees") on housing units located in the Housing Improvement Area in order to finance the Housing Improvements.

(b) Pursuant to Minnesota Statutes, Chapter 475, as amended, and Sections 428A.11 through 428A.21, as amended (collectively, the "Act"), the City is authorized to issue general obligation bonds in the amount necessary to defray the costs of the Housing Improvements, which costs are payable primarily from the Housing Fees and may be further secured by the pledge of the City's full faith, credit, and taxing power.

(c) The City finds it necessary and expedient to the sound financial management of the City to issue its Taxable General Obligation Housing Improvement Bonds, Series 2019A (the "Bonds"), in the original aggregate principal amount of \$2,690,000, pursuant to the Act, in order to defray the costs of the Housing Improvements.

(d) The City is authorized by Section 475.60, subdivision 2(6) of the Act to negotiate the sale of the Bonds, it being determined, on the advice of bond counsel, that interest on the Bonds cannot be represented to be excluded from gross income for purposes of federal income taxation.

1.02. Award to the Purchaser and Interest Rates. A tabulation of the proposals received for the purchase of the Bonds is attached hereto as EXHIBIT A. The proposal of _____ (the "Purchaser") to purchase the Bonds of the City described in the Terms of Proposal thereof is found and determined to be a reasonable offer and is accepted, the proposal being to purchase the Bonds at a price of \$ _____ (principal amount of \$2,690,000, less underwriter's discount of \$ _____), plus accrued interest, if any, to the date of delivery for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2021	%	2031	%
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	

True interest cost: _____%

1.03. Purchase Contract. The sum of \$_____, being the amount proposed by the Purchaser in excess of \$2,657,720, will be credited to the Debt Service Fund hereinafter created or to the Project Fund hereinafter created, as determined by the Finance Director in consultation with the City’s municipal advisor. The Finance Director is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers forthwith. The Mayor and the City Manager are directed to execute a contract with the Purchaser on behalf of the City.

1.04. Terms and Principal Amounts of the Bonds. The City shall forthwith issue and sell the Bonds in the total principal amount of \$2,690,000, originally dated December 5, 2019, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and which mature on Feb. 1 in the years and amounts as follows:

(The remainder of this page is intentionally left blank.)

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$	2031	\$
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	

1.05. Optional Redemption. The City may elect on Feb. 1, 2029, and on any date thereafter to prepay Bonds due on or after Feb. 1, 2030. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the

City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 6 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments will be at a price of par plus accrued interest.

- [1.06. **TO BE COMPLETED IF TERM BONDS ARE REQUESTED BY PURCHASER:** Mandatory Redemption; Term Bonds. The Bonds maturing on February 1, 20__ and February 1, 20__ shall hereinafter be referred to collectively as the "Term Bonds." The principal amounts of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part by lot at par plus accrued interest on the sinking fund installment dates and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 20__ Term Bonds</u>	

* *Maturity*

February 1, 20__ Term Bonds

* *Maturity*

Section 2. Registration and Payment.

- 2.01. Registered Form. The Bonds shall be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.
- 2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond 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 such Bond shall 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 such Bond will be dated as of the date of original issue. The interest on the Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2020, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.03. Registration. The City will appoint, and shall maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). 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 must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a 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 will authenticate and deliver, in the name of the designated transferee or transferees, one or more new 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 day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will 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 Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For a transfer or exchange of Bonds, 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 the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a 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 Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, 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 and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will 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 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, will not affect the validity of any proceeding for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City Manager are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the City Council, the Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Manager and executed on behalf of the City by the signatures of the Mayor and the City Manager, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, such signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will 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 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Manager 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.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed in substantially the form set forth in EXHIBIT B attached hereto.

3.02. Approving Legal Opinion. The City Clerk shall obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and shall cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Funds. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to make adequate and specific security to the purchasers and holders of the Bonds from time to time, there is hereby created a separate special fund of the City to be known as the Cloud 9 Sky Flats Housing Improvement Area Fund (the "Housing Fund"), which fund will be continued and maintained as a permanent fund of the City until all the Bonds are paid. Within the Housing Fund there will be established and maintained separate accounts as follows:

(a) The Project Fund, into which fund will be deposited proceeds of the Bonds in the amount of \$_____. Upon issuance of the Bonds, the City shall also deposit into the Project Fund prepaid Housing Fees in the amount of \$_____, which Housing Fees were levied on property within the Housing Improvement Area and were prepaid pursuant to the resolution levying the Housing Fees. Of the total amount deposited in the Project Fund, \$_____ will be disbursed to the City to pay the administrative costs of the Housing Improvement Area, including any rebate of prepaid Housing Fees. The balance of funds in the Project Fund shall be disbursed to pay the costs of the Housing Improvements in accordance with the terms of the Development Agreement, dated August 31, 2017, as heretofore amended (collectively, the "Development Agreement"), between the City and the Association. Interest earnings from moneys in the Project Fund shall be credited to the Project Fund.

(b) The Costs of Issuance Fund, into which fund will be deposited proceeds of the Bonds in the amount of \$_____, which amount will be used solely for the purpose of paying costs of issuance of the Bonds. The City authorizes the Purchaser to forward amounts in the Costs of Issuance Fund allocable to the

payment of issuance expenses to KleinBank, Chaska, Minnesota, on the closing date for further distribution as directed by the City's municipal advisor, Ehlers and Associates, Inc. Any balance remaining in the Costs of Issuance Fund after all disbursements for issuance expenses shall be transferred to the Project Fund. Interest earnings from moneys in the Costs of Issuance Fund shall be credited to the Surplus Fund hereinafter created.

(c) The Debt Service Fund, into which fund will be deposited Housing Fees in the amount necessary to pay when due the principal and interest on the Bonds. Interest earnings from moneys in the Debt Service Fund shall be credited to the Debt Service Fund.

(d) The Surplus Fund, into which fund will be deposited all Housing Fees in excess of the amounts required to be deposited into the Debt Service Fund and the Project Fund under this Section. Amounts in the Surplus Fund shall be applied and disbursed in accordance with Section 3.92(f) of the Development Agreement. Interest earnings from moneys in the Surplus Fund shall be credited to the Surplus Fund.

4.02. Deposit of Funds. Money in the funds created by this resolution will be kept separate from other municipal funds and deposited only in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"). Deposits which cause the aggregate deposits of the City in any one bank to be in excess of the amount insured by FDIC must be continuously secured in the manner provided by law for the investment of municipal funds. In the event excess moneys are held in any of the accounts created pursuant to Section 4.01 hereof, such excess moneys shall be applied and disbursed in accordance with the Development Agreement.

4.03. Covenants Regarding Housing Improvements. The City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause the Housing Fees for the Housing Improvements in the Housing Improvement Area to be promptly levied against housing units in such Housing Improvement Area so that the first installment will be collectible not later than 2020 and will take all steps necessary to assure prompt collection. The City Council will cause to be taken with due diligence all further actions that are required under the Development Agreement for the construction of the Housing Improvements financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Housing Fees and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Housing Fees (after taking into account any revenues collected or anticipated to be collected under the Development Agreement), the City Council will levy ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Housing Improvements, Housing

Fees levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, and monies on hand.

- 4.04. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.
- 4.05. No Tax Levy Required. It is hereby determined that the estimated collections of Housing Fees for the payment of principal and interest on the Bonds will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds, and that no tax levy is needed at this time.
- 4.06. Taxpayer Services Division Manager's Certificate as to Registration. The City Clerk is authorized and directed to file a certified copy of this resolution with the Taxpayer Services Division Manager of Hennepin County and to obtain the certificate required by Section 475.63 of the Act.
- Section 5. Authentication of Transcript.
- 5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds certified copies of proceedings and records of the City relating to the 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 Bonds and such instruments, including any heretofore furnished, shall be deemed representations of the City as to the facts stated therein.
- 5.02. Certification as to Official Statement. The Mayor, the City Manager and the Finance Director are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds 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.
- 5.03. Other Certificates. The Mayor, the City Manager, and the Finance Director are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Manager, and the Finance Director shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

Section 6. Book-Entry System; Limited Obligation of City.

- 6.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each such 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 Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.
- 6.02. Participants. With respect to 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 Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person other than a registered owner of Bonds, as shown by the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, or any amount with respect to principal of or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of and interest on the 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 or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Manager 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.” will refer to such new nominee of DTC; and upon receipt of such a notice, the City Manager will promptly deliver a copy of the same to the Registrar and the Paying Agent.
- 6.03. 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 and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will 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 at all times be complied with.

- 6.04. 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 interest in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange 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 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 will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.
- 6.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond will be made and given, respectively in the manner provided in the Representation Letter.
- Section 7. Continuing Disclosure.
- 7.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain continuing Disclosure Certificate executed by the Mayor and City Manager and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.
- 7.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, and Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.
- Section 8. Defeasance. When all Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this resolution to holders of the 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 Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any 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.

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Adopted by the City Council of the City of Minnetonka, Minnesota, on Nov. 18, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on Nov. 18, 2019.

Becky Koosman, City Clerk

EXHIBIT A
PROPOSALS

EXHIBIT B
FORM OF BOND

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF MINNETONKA

TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT BOND
SERIES 2019A

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December 5, 2019	

Registered Owner: Cede & Co.

The City of Minnetonka, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$_____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable February 1 and August 1 in each year, commencing August 1, 2020, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2029, and on any date thereafter to prepay Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed

and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$2,690,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on November 18, 2019 (the "Resolution"), for the purpose of providing money to aid in financing various housing improvements within a housing improvement area in the City, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, and Sections 428A.11 through 428A.21, as amended, and the principal hereof and interest hereon are payable primarily from certain housing improvement fees levied or to be levied on property within the housing improvement area in which the housing improvements are located, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in revenues of housing improvement fees pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota and the City's home rule charter to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond

does not cause the indebtedness of the City to exceed any constitutional, statutory or charter limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Minnetonka, Hennepin County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and the City Manager and has caused this Bond to be dated as of the date set forth below.

Dated: December 5, 2019

CITY OF MINNETONKA, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Manager

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

**BOND TRUST SERVICES
CORPORATION**

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT
_____ Custodian _____

TEN ENT -- as tenants by entireties

(Cust) _____ (Minor) _____
under Uniform Gifts or Transfers to
Minors Act, State of

JT TEN -- as joint tenants with right of
survivorship and not as tenants in
common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto
_____ the within Bond and all rights
thereunder, and does hereby irrevocably constitute and appoint
_____ attorney to transfer the said Bond on the books kept for
registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment
must correspond with the name as it appears upon the face of the
within Bond in every particular, without alteration or any change
whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of
the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange
Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures
Program ("MSP") or other such "signature guarantee program" as may be determined by
the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance
with the Securities Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information
concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	Signature of <u>Officer of Registrar</u>
_____	Cede & Co. Federal ID #13-2555119	_____

City Council Agenda Item #14C
Meeting of Nov. 18, 2019

Brief Description: Resolution for the Opus Area Improvements project

Recommended Action: Adopt the resolution

Introduction

On March 14, 2016, council approved a layout and initiated plans and specifications for the ten identified bridges and the reversal of Red Circle Drive. Three of the ten bridges were required to be constructed concurrently with the Southwest LRT project and the remaining seven bridges are proposed to be completed as future stages to reduce impacts to traffic operations.

In 2016, the city applied for bridge bond money to assist with funding the replacement of ten pedestrian bridges. In 2018, the city was successful in the state allocating the allowable funding for the three bridges required to be constructed with the Southwest LRT. Since the remaining seven bridges are not able to be constructed until the SWLRT project is complete due to staging of this work, the 2020-2024 capital improvements program (CIP) was updated to reflect the current projects and proposed funding based on the current schedule. Updates will again be made in upcoming years as construction of the Southwest LRT construction schedule progresses.

Background

Plans and specifications have been prepared in coordination with the Southwest LRT project for the Red Circle Drive reversal and three bridges, consistent with the layout approved as part of the Metropolitan Transit's Southwest LRT project and associated city's municipal consent process. This layout is included as an attachment showing the work planned by the SWLRT in yellow and the work planned by the city in blue.

These three bridges allow grade separation for pedestrian trails through this area and are located at Red Circle Drive and Bren Road West, just west of Green Circle Drive. A figure has been provided to illustrate the bridges included with each project.

Currently, Red Circle Drive has a hazardous weave movement for traffic entering and exiting the Opus area. Traffic safety within this weave movement will continue to deteriorate as traffic increases due to the Southwest LRT and future redevelopment. During review of the area prior to the Southwest LRT, the city's 2013 study concluded that a good option existed to remedy this weave movement by changing the flow of traffic on Red Circle Drive as vehicles enter the Opus area. This change would also require changing the traffic flow on Yellow Circle Drive. It further provided improved traffic flows with the proposed Southwest LRT and was included with the project.

Work associated with the bridge replacements and roadway work further includes relocation of existing water main, sanitary sewer and storm sewer.

Easements

Council authorized easement acquisition for the project on March 14, 2016; however, the acquisition process was not finalized due to delays and uncertainty with the Southwest LRT project. Following the start of construction on the Southwest LRT project, the city resumed work and updated appraisals on the needed easements.

Due to market changes in the Opus area, easement costs have come in higher than previously calculated. Staff is therefore requesting council to authorize the city engineer to review and approve appraised values of parcels and determine just compensation. Following this review, offers will be made based on the approved amounts and contingent upon the city approving a contract for construction of the project. That contingency will protect the city from expending funds for acquisition if, for any reason, the project ultimately does not move forward.

Schedule

Following approval of the plans and specifications, bids will be received in January and presented to council for final contract approval in March. To minimize traffic impacts to the area during construction, the timing of the bridge replacements is largely dependent on the schedule of the SWLRT project. Based on recent discussions with the Southwest LRT project office, construction of the three bridges and reversal of Red Circle Drive will likely begin in the spring 2020.

A future project involving the replacement of the remaining seven bridges is currently programmed in the 2020-2024 CIP for 2020-2022. However, recent discussions regarding the schedule of the Southwest LRT project indicate that the replacement of the seven bridges will need to be delayed further due to conflicts with traffic operations and access to properties in the Opus area during the Southwest LRT construction. Updates to the CIP will be proposed during the next cycle for council's consideration.

Funding

The total estimated construction cost, including engineering, administration, easement acquisition and contingency, is \$6,160,000. The table below shows the anticipated funding necessary for the project, which was originally included in the 2016-2020 CIP, updated in the 2017-2021 CIP and currently identified in the 2020-2024 CIP. Project costs have increased due to higher easement acquisition costs, construction inflation and small modifications to the project due to additional coordination with the Southwest LRT project.

The city will receive approximately \$950,000 of grant funding from state bridge funding (Motor Vehicle Leased Sales Tax (MVLST)) for the three bridges associated with this project. Final funding is determined based on bids and will be included in an agreement that will be considered by council at the award of the contract.

	Budget Amount	Proposed Funding	Expense
Construction Costs			\$3,600,000
Contingency			\$400,000
Engineering and Administration			\$1,000,000
Easement Acquisition			\$1,200,000
State Bridge Bonds	\$950,000	\$950,000	
State Aid Fund	\$1,500,000	\$600,000	
Street Improvement Fund	\$6,000,000	\$4,000,000	
Utility Fund	\$2,000,000	\$400,000	
Storm Water Fund	\$630,000	\$250,000	
Electric Franchise Fee	\$1,000,000	\$0	
Park and Trails Fund	\$250,000	\$0	
TOD Grant	\$250,000	\$0	
Total Budget	\$12,580,000	\$6,200,000	\$6,200,000

The budget amount shown above includes funding for trail, utility and trail lighting improvements, Green Oak Drive reversal, and street rehab and street lighting upgrades that would be brought to council as future items. These items will continue to be coordinated with the Southwest LRT.

Recommendation

- 1) Adopt the attached resolution accepting plans and specifications and authorizing the advertisement for bids for the Opus Area Improvements Project No.14407.
- 2) Authorize the city engineer to review and approve appraised values of parcels and determine just compensation for the easements in the Opus Area Improvements Project, No. 14407.

Submitted through:

Geralyn Barone, City Manager
Will Manchester, Director of Public Works

Originated by:

Phil Olson, City Engineer

RESOLUTION NO. 2019-

Resolution accepting plans and specifications, authorizing the advertisement for bids, and authorizing just compensation of easements for the Opus Area Improvements project

BE IT RESOLVED by the City Council of the City of Minnetonka, Minnesota as follows:

Section 1. Background.

- 1.01. Pursuant to city council authorization on March 14, 2016, plans and specifications have been prepared by or under the direction of the city engineer, who is a Licensed Professional Engineer in the State of Minnesota, for the Opus Area Improvements project.
- 1.02. The plans and specifications for the construction of the aforementioned project have been presented to the city council for approval.
- 1.03. The city council authorized easement acquisition at its regular meeting of March 14, 2016.
- 1.04. WSB & Associates was authorized to obtain appraisals for the necessary easements to determine fair market value of those easements.
- 1.05. The appraised value of those easements requires council approval before offers can be made to purchase those easements.

Section 2. Council Action.

- 2.01. The plans and specifications, copies of which are on file with the engineering department, are hereby accepted upon the recommendation of the city engineer.
- 2.02. The city clerk shall prepare and cause to be inserted in the official newspaper and in Finance & Commerce an advertisement for bids for the making of such improvements under such approved plans and specifications. The advertisement shall specify the work to be done, shall state that bids will be opened and read aloud in the Council Chambers at the Minnetonka City Hall and that no bids will be considered unless sealed and filed with the clerk and accompanied by a cash deposit, cashier's check and a bid bond or certified check made payable to the city clerk for five (5) percent of the amount of the bid.
- 2.03. The engineer is authorized and directed to review and approve appraised values of parcels and determine just compensation of easements required for the project.
- 2.04. Staff is authorized to make offers to property owners based on just compensation amounts, contingent upon the city council's approval of a contract for construction of the Opus Area Improvement project.

Adopted by the City Council of the City of Minnetonka, Minnesota, on Nov. 18, 2019.

Brad Wiersum, Mayor

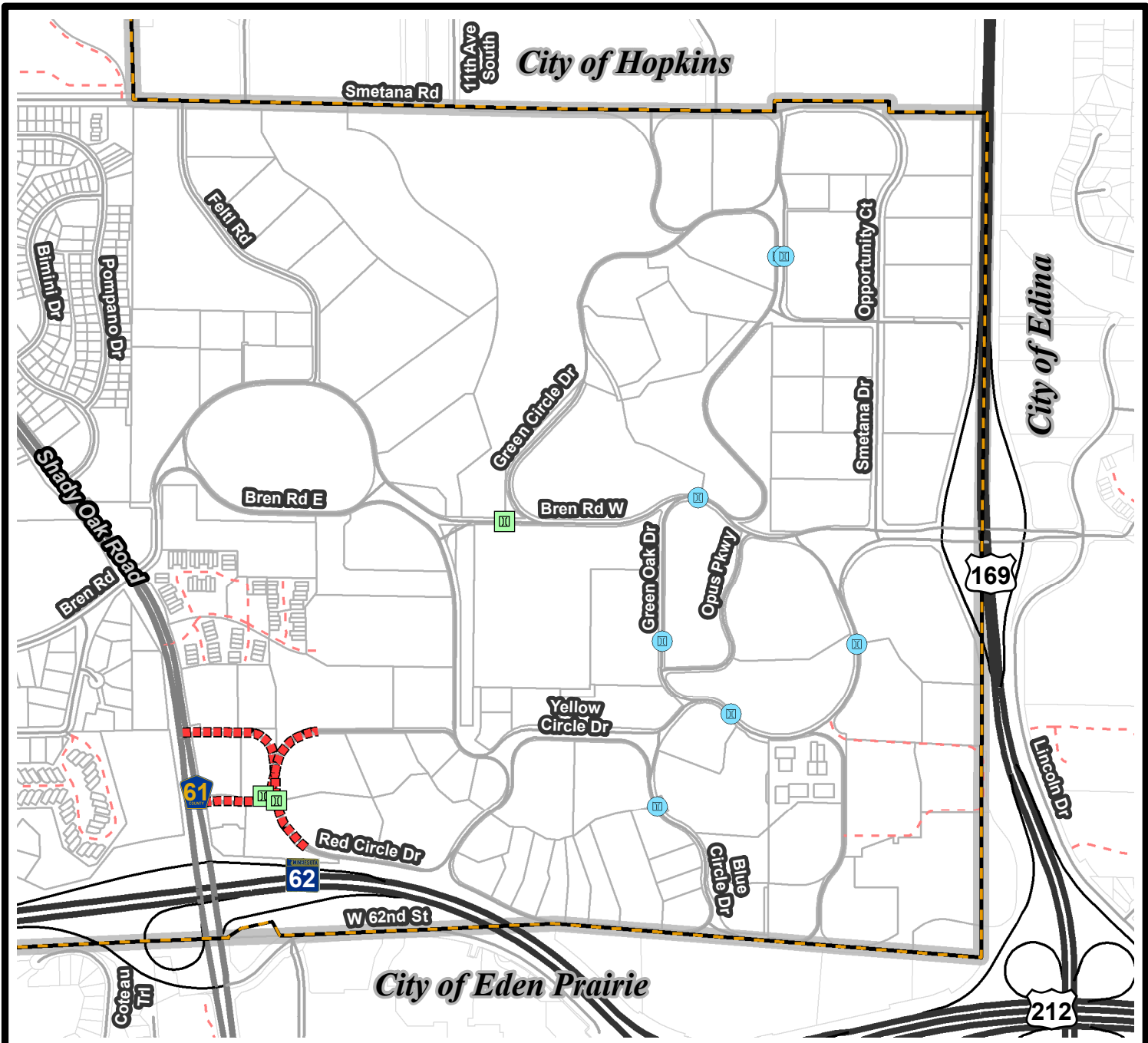
ATTEST:

Becky Koosman, City Clerk
ACTION ON THIS RESOLUTION:




Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution adopted.

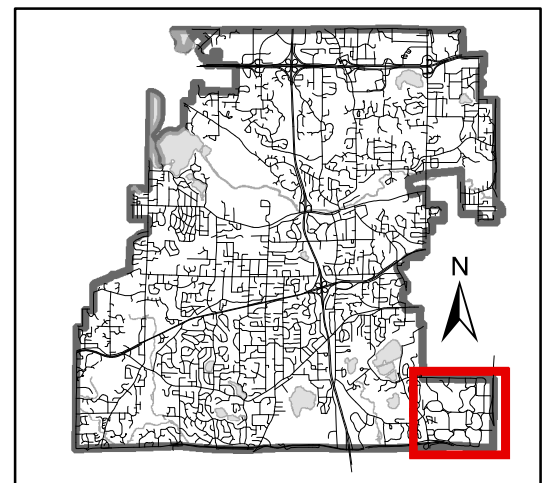
I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a duly authorized meeting held on Nov. 18, 2019.

Becky Koosman, City Clerk



Legend

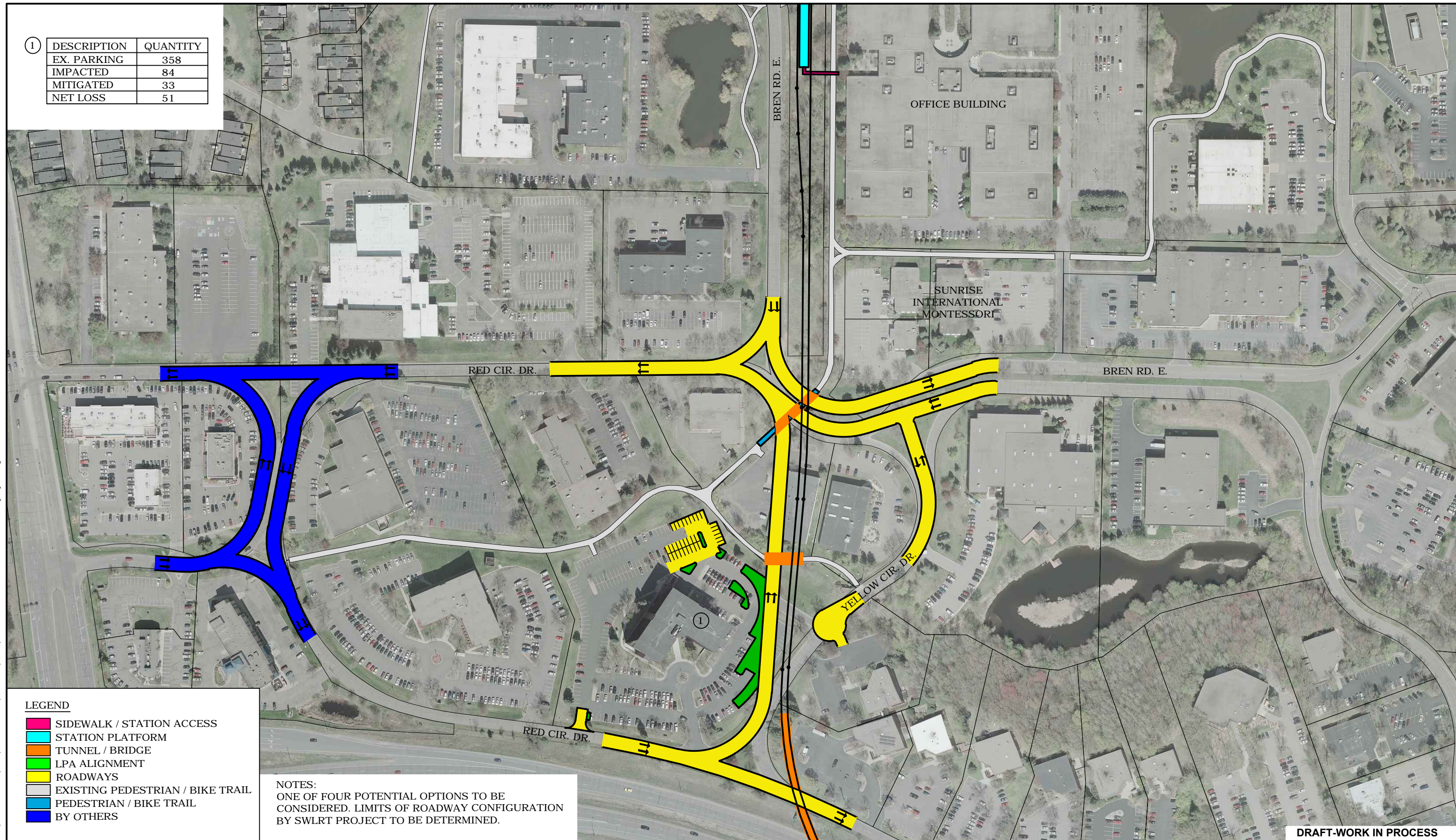
-  Bridge Replacement (3 Bridges)
-  Red Circle Drive Reversal
-  Future Bridge Replacement (7 Bridges)



This map is for illustrative purposes only.

May 15 2013 11:44 am V:\3200_PEC-W\CAD\SEGMENT-W2\EXHIBITS\CIVIL\XHB-CIV-OPUS STATION-2-PLAN.dwg By: YangDK

①	DESCRIPTION	QUANTITY
	EX. PARKING	358
	IMPACTED	84
	MITIGATED	33
	NET LOSS	51



LEGEND

- SIDEWALK / STATION ACCESS
- STATION PLATFORM
- TUNNEL / BRIDGE
- LPA ALIGNMENT
- ROADWAYS
- EXISTING PEDESTRIAN / BIKE TRAIL
- PEDESTRIAN / BIKE TRAIL
- BY OTHERS

NOTES:
 ONE OF FOUR POTENTIAL OPTIONS TO BE CONSIDERED. LIMITS OF ROADWAY CONFIGURATION BY SWLRT PROJECT TO BE DETERMINED.

DRAFT-WORK IN PROCESS

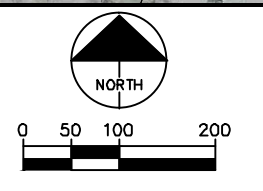


SOUTHWEST LIGHT RAIL

OPUS STATION
 ROAD OPTION 2 (MINNETONKA'S PROPOSED TRAFFIC FLOW REVERSAL)

DRAFT

IRT: #5
 REV: 2
 DATE : 05/15/2013



**Addenda
Minnetonka City Council
Meeting of Nov. 18, 2019**

14B Items related to the Cloud 9 Condominium's Housing Improvement Area

Attached is a revised resolution reflecting today's bond sales.

ADDENDUM

City Council Agenda Item #14B Meeting of November 18, 2019

Brief Description: Resolution awarding sale of approximately \$2,630,000 General Obligation Housing Improvement Bonds, Series 2019A

Attached is a revised resolution appropriately reflecting the results of today's bond sales, which are specifically detailed in the attached Sale Day Report. As part of the resolution, staff recommends awarding the sale to lowest bidder, Piper Jaffray, Minneapolis, Minnesota.

Submitted through:

Geralyn Barone, City Manager
Darin Nelson, Finance Director

Originated by:

Alisha Gray, Economic Development and Housing Manager

Resolution No. 2019-_____

Resolution awarding the sale of Taxable General Obligation Housing Improvement Bonds, Series 2019A, in the original aggregate principal amount of \$2,630,000; fixing their form and specifications; directing their execution and delivery; and providing for their payment

Be it resolved by the City Council (the "Council") of the City of Minnetonka, Minnesota (the "City") as follows:

Section 1. Sale of Bonds.

1.01. Background.

(a) The City has previously established the Cloud 9 Sky Flats Housing Improvement Area (the "Housing Improvement Area") in order to facilitate certain housing improvements (the "Housing Improvements") to property known as Cloud 9 Sky Flats, which is governed by Cloud 9 Sky Flats Association, Inc. (the "Association"). The City Council has previously imposed a housing improvement fee (the "Housing Fees") on housing units located in the Housing Improvement Area in order to finance the Housing Improvements.

(b) Pursuant to Minnesota Statutes, Chapter 475, as amended, and Sections 428A.11 through 428A.21, as amended (collectively, the "Act"), the City is authorized to issue general obligation bonds in the amount necessary to defray the costs of the Housing Improvements, which costs are payable primarily from the Housing Fees and may be further secured by the pledge of the City's full faith, credit, and taxing power.

(c) The City finds it necessary and expedient to the sound financial management of the City to issue its Taxable General Obligation Housing Improvement Bonds, Series 2019A (the "Bonds"), in the original aggregate principal amount of \$2,630,000, pursuant to the Act, in order to defray the costs of the Housing Improvements.

(d) The City is authorized by Section 475.60, subdivision 2(6) of the Act to negotiate the sale of the Bonds, it being determined, on the advice of bond counsel, that interest on the Bonds cannot be represented to be excluded from gross income for purposes of federal income taxation.

1.02. Award to the Purchaser and Interest Rates. A tabulation of the proposals received for the purchase of the Bonds is attached hereto as EXHIBIT A. The proposal of Piper Jaffray & Co., Minneapolis, Minnesota (the "Purchaser"), to purchase the Bonds of the City described in the Terms of

Proposal thereof is found and determined to be a reasonable offer and is accepted, the proposal being to purchase the Bonds at a price of \$2,617,153.67 (principal amount of \$2,630,000.00, less underwriter's discount of \$12,846.33), plus accrued interest, if any, to the date of delivery for Bonds bearing interest as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Interest Rate</u>
2021	1.700%	2029	2.450%
2022	1.800	2030	2.550
2023	1.850	2031	2.650
2024	1.950	2032	2.750
2025	2.050	2033	2.800
2026	2.150	2034	2.850
2027	2.250	2040*	3.050
2028	2.350		

* *Term Bond*

True interest cost: 2.8435896%

1.03. Purchase Contract. The sum of \$18,713.67, being the amount proposed by the Purchaser in excess of \$2,598,440.00, will be credited to the Debt Service Fund hereinafter created or to the Project Fund hereinafter created, as determined by the Finance Director in consultation with the City's municipal advisor. The Finance Director is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds, and to return the good faith checks of the unsuccessful proposers forthwith. The Mayor and the City Manager are directed to execute a contract with the Purchaser on behalf of the City.

1.04. Terms and Principal Amounts of the Bonds. The City shall forthwith issue and sell the Bonds in the total principal amount of \$2,630,000, originally dated December 5, 2019, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as above set forth, and which mature on February 1 in the years and amounts as follows:

(The remainder of this page is intentionally left blank.)

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$100,000	2029	\$125,000
2022	105,000	2030	125,000
2023	110,000	2031	130,000
2024	110,000	2032	135,000
2025	115,000	2033	135,000
2026	115,000	2034	140,000
2027	120,000	2040*	945,000
2028	120,000		

** Term Bond*

1.05. Optional Redemption. The City may elect on February 1, 2029, and on any date thereafter to prepay Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 6 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments will be at a price of par plus accrued interest.

1.06. Mandatory Redemption; Term Bond. The Bonds maturing on February 1, 2040 shall hereinafter be referred to collectively as the “Term Bond.” The principal amounts of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall determine. The Term Bond is subject to mandatory sinking fund redemption and shall be redeemed in part by lot at par plus accrued interest on the sinking fund installment dates and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 2040 Term Bonds</u>	
2035	\$145,000
2036	150,000
2037	155,000
2038	160,000
2039	165,000
2040*	170,000

** Maturity*

Section 2. Registration and Payment.

- 2.01. Registered Form. The Bonds shall be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.
- 2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond 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 such Bond shall 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 such Bond will be dated as of the date of original issue. The interest on the Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2020, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.
- 2.03. Registration. The City will appoint, and shall maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). 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 must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.
- (b) Transfer of Bonds. Upon surrender for transfer of a 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 will authenticate and deliver, in the name of the designated transferee or transferees, one or more new 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 day of the month preceding each interest payment date and until such interest payment date.
- (c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will 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 Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For a transfer or exchange of Bonds, 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 the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a 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 Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, 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 and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will 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 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, will not affect the validity of any proceeding for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

- 2.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City Manager are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the City Council, the Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.
- 2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Manager and executed on behalf of the City by the signatures of the Mayor and the City Manager, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, such signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will 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 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Manager 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.

Section 3. Form of Bond.

- 3.01. Execution of the Bonds. The Bonds will be printed in substantially the form set forth in EXHIBIT B attached hereto.
- 3.02. Approving Legal Opinion. The City Clerk shall obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, and shall cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

- 4.01. Funds. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to make adequate and specific security to the purchasers and holders of the Bonds from time to time, there is hereby created a separate special fund of the City to be known as the Cloud 9 Sky Flats Housing Improvement Area Fund (the "Housing Fund"), which fund will be continued and maintained as a permanent fund of the City until all the Bonds are paid. Within the Housing Fund there will be established and maintained separate accounts as follows:

(a) The Project Fund, into which fund will be deposited proceeds of the Bonds in the amount of \$2,573,201.67. Upon issuance of the Bonds, the City shall also deposit into the Project Fund prepaid Housing Fees in the amount of \$620,338.31, which Housing Fees were levied on property within the Housing Improvement Area and were prepaid pursuant to the resolution levying the Housing Fees. A portion of the amount deposited in the Project Fund will be disbursed to (i) pay in full a loan taken out by the Association to pay the costs of the Housing Improvements in accordance with the terms of the Development Agreement, dated August 31, 2017, as heretofore amended (collectively, the "Development Agreement"), between the City and the Association; (ii) reimburse the Association for costs it incurred for the Housing Improvements made to the Cloud 9 Sky Flats; and (iii) pay a portion of the administrative costs of the Housing Improvement Area, including any rebate of prepaid Housing Fees. Interest earnings from moneys in the Project Fund shall be credited to the Project Fund.

(b) The Costs of Issuance Fund, into which fund will be deposited proceeds of the Bonds in the amount of \$43,952, which amount will be used solely for the purpose of paying costs of issuance of the Bonds. The City authorizes the Purchaser to forward amounts in the Costs of Issuance Fund allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota, on the closing date for further distribution as directed by the City's municipal advisor, Ehlers and Associates, Inc. Any balance remaining in the Costs of Issuance Fund after all disbursements for issuance expenses

shall be transferred to the Project Fund. Interest earnings from moneys in the Costs of Issuance Fund shall be credited to the Surplus Fund hereinafter created.

(c) The Debt Service Fund, into which fund will be deposited Housing Fees in the amount necessary to pay when due the principal and interest on the Bonds. Interest earnings from moneys in the Debt Service Fund shall be credited to the Debt Service Fund.

(d) The Surplus Fund, into which fund will be deposited all Housing Fees in excess of the amounts required to be deposited into the Debt Service Fund and the Project Fund under this Section. Amounts in the Surplus Fund shall be applied and disbursed in accordance with Section 3.92(f) of the Development Agreement. Interest earnings from moneys in the Surplus Fund shall be credited to the Surplus Fund.

4.02. Deposit of Funds. Money in the funds created by this resolution will be kept separate from other municipal funds and deposited only in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"). Deposits which cause the aggregate deposits of the City in any one bank to be in excess of the amount insured by FDIC must be continuously secured in the manner provided by law for the investment of municipal funds. In the event excess moneys are held in any of the accounts created pursuant to Section 4.01 hereof, such excess moneys shall be applied and disbursed in accordance with the Development Agreement.

4.03. Covenants Regarding Housing Improvements. The City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause the Housing Fees for the Housing Improvements in the Housing Improvement Area to be promptly levied against housing units in such Housing Improvement Area so that the first installment will be collectible not later than 2020 and will take all steps necessary to assure prompt collection. The City Council will cause to be taken with due diligence all further actions that are required under the Development Agreement for the construction of the Housing Improvements financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Housing Fees and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Housing Fees (after taking into account any revenues collected or anticipated to be collected under the Development Agreement), the City Council will levy ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Housing Improvements, Housing Fees levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, and monies on hand.

4.04. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

4.05. No Tax Levy Required. It is hereby determined that the estimated collections of Housing Fees for the payment of principal and interest on the Bonds will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds, and that no tax levy is needed at this time.

4.06. Taxpayer Services Division Manager's Certificate as to Registration. The City Clerk is authorized and directed to file a certified copy of this resolution with the Taxpayer Services Division Manager of Hennepin County and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds certified copies of proceedings and records of the City relating to the 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 Bonds and such instruments, including any heretofore furnished, shall be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, the City Manager and the Finance Director are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds 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.

5.03. Other Certificates. The Mayor, the City Manager, and the Finance Director are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Manager, and the Finance Director shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

Section 6. Book-Entry System; Limited Obligation of City.

6.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each such 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 Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

6.02. Participants. With respect to 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 Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person other than a registered owner of Bonds, as shown by the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, or any amount with respect to principal of or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of and interest on the 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 or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Manager 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." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Manager will promptly deliver a copy of the same to the Registrar and the Paying Agent.

- 6.03. 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 and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will 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 at all times be complied with.
- 6.04. 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 interest in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange 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 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 will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.
- 6.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond will be made and given, respectively in the manner provided in the Representation Letter.

Section 7. Continuing Disclosure.

7.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain continuing Disclosure Certificate executed by the Mayor and City Manager and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

7.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, and Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 8. Defeasance. When all Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this resolution to holders of the 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 Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any 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.

(The remainder of this page is intentionally left blank.)

Adopted by the City Council of the City of Minnetonka, Minnesota, on Nov. 18, 2019.

Brad Wiersum, Mayor

Attest:

Becky Koosman, City Clerk

Action on this resolution:

Motion for adoption:

Seconded by:

Voted in favor of:

Voted against:

Abstained:

Absent:

Resolution adopted.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on Nov. 18, 2019.

Becky Koosman, City Clerk

EXHIBIT A PROPOSALS



BID TABULATION

\$2,690,000* Taxable General Obligation Housing Improvement Bonds, Series 2019A

City of Minnetonka, Minnesota

SALE: November 18, 2019

AWARD: PIPER JAFFRAY

Rating: Moody's Investor's Service "Aaa"

Taxable - Non-Bank Qualified

NAME OF BIDDER	MATURITY (February 1)	RATE	REOFFERING YIELD	PRICE	NET INTEREST COST	TRUE INTEREST RATE
PIPER JAFFRAY Minneapolis, Minnesota	2021	1.700%	1.700%	\$2,676,860.60	\$897,143.23	2.8479%
	2022	1.800%	1.800%			
	2023	1.850%	1.850%			
	2024	1.950%	1.950%			
	2025	2.050%	2.050%			
	2026	2.150%	2.150%			
	2027	2.250%	2.250%			
	2028	2.350%	2.350%			
	2029	2.450%	2.450%			
	2030	2.550%	2.550%			
	2031	2.650%	2.650%			
	2032	2.750%	2.750%			
	2033	2.800%	2.800%			
	2034	2.850%	2.850%			
	2035 ¹	3.050%	3.050%			
	2036 ¹	3.050%	3.050%			
	2037 ¹	3.050%	3.050%			
	2038 ¹	3.050%	3.050%			
	2039 ¹	3.050%	3.050%			
	2040 ¹	3.050%	3.050%			
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota				\$2,671,059.70	\$902,196.02	2.8688%
BAIRD Milwaukee, Wisconsin				\$2,724,368.75	\$919,454.45	2.9022%

* Subsequent to bid opening the issue size was decreased to \$2,630,000.
Adjusted Price - \$2,617,153.67 Adjusted Net Interest Cost - \$865,635.27 Adjusted TIC - 2.8435%

¹ \$945,000 Term Bond due 2040 with mandatory redemption in 2035-2039.

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EXHIBIT B
FORM OF BOND

No. R-____ \$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF MINNETONKA

TAXABLE GENERAL OBLIGATION HOUSING IMPROVEMENT BOND
SERIES 2019A

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December 5, 2019	

Registered Owner: Cede & Co.

The City of Minnetonka, Minnesota, a duly organized and existing municipal corporation in Hennepin County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of \$_____ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable February 1 and August 1 in each year, commencing August 1, 2020, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2029, and on any date thereafter to prepay Bonds due on or after February 1, 2030. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed

and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments will be at a price of par plus accrued interest.

The Bonds maturing on February 1, 2040 shall hereinafter be referred to collectively as the "Term Bond." The principal amounts of the Term Bond subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bond credited against future mandatory sinking fund redemptions of such Term Bond in such order as the City shall determine. The Term Bond is subject to mandatory sinking fund redemption and shall be redeemed in part by lot at par plus accrued interest on the sinking fund installment dates and in the principal amounts as follows:

<u>Sinking Fund Installment Date</u>	<u>Principal Amount</u>
<u>February 1, 2040 Term Bonds</u>	
2035	\$145,000
2036	150,000
2037	155,000
2038	160,000
2039	165,000
2040*	170,000

* *Maturity*

This Bond is one of an issue in the aggregate principal amount of \$2,630,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on November 18, 2019 (the "Resolution"), for the purpose of providing money to aid in financing various housing improvements within a housing improvement area in the City, pursuant to and in full conformity with the home rule charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, and Sections 428A.11 through 428A.21, as amended, and the principal hereof and interest hereon are payable primarily from certain housing improvement fees levied or to be levied on property within the housing improvement area in which the housing improvements are located, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in revenues of housing improvement fees pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly

authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota and the City's home rule charter to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, statutory or charter limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Minnetonka, Hennepin County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and the City Manager and has caused this Bond to be dated as of the date set forth below.

Dated: December 5, 2019

CITY OF MINNETONKA, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Manager

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

**BOND TRUST SERVICES
CORPORATION**

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT
_____ Custodian _____
(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to
Minors Act, State of

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor’s signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address:

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Officer of Registrar</u>
_____	Cede & Co. Federal ID #13-2555119	_____

November 18, 2019

Sale Day Report for

City of Minnetonka, Minnesota
\$2,630,000 Taxable General Obligation Housing
Improvement Bonds, Series 2019A



Prepared by:

Jason Aarsvold, CIPMA
Senior Municipal Advisor

Stacie Kvilvang, CIPMA
Senior Municipal Advisor

Keith Dahl,
Financial Specialist

Sale Day Report – November 18, 2019

City of Minnetonka, Minnesota

\$2,630,000 Taxable General Obligation Housing Improvement Bonds,
Series 2019A

Purpose: To finance housing improvements within the Cloud 9 Sky Flats Housing Improvement Area.

Rating: **Rating: Moody's Investor's Service "Aaa"**

Number of Bids: 3

Low Bidder: Piper Jaffray, Minneapolis, Minnesota

Comparison from Lowest to Highest Bid: (TIC as bid)	Low Bid	High Bid	Interest Difference
	2.8479%	2.9022%	\$22,311

Summary of Sale Results:	
Principal Amount*:	\$2,630,000
Underwriter's Discount:	\$12,846
True Interest Cost:	2.8435%
Costs of Issuance:	\$43,952
Yield:	1.70%-3.05%
Total Net P&I	\$3,482,789

Notes: Bond Trust Services Corporation, Roseville, Minnesota will serve as Paying Agent on the Bonds.

The Bonds maturing February 1, 2030 and thereafter are callable February 1, 2029 or any date thereafter.

* Subsequent to bid opening, the issue size was decreased to \$2,630,000 to account for additional prepayment of Housing Improvement Area Fees.

Closing Date: December 5, 2019

City Council Action: Adopt a resolution awarding the sale of \$2,630,000 Taxable General Obligation Housing Improvement Bonds, Series 2019A.



Attachments:

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Rating Report
- Bond Resolution (Distributed in City Council Packets)



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\$2,690,000* Taxable General Obligation Housing Improvement Bonds, Series 2019A

City of Minnetonka, Minnesota

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AWARD: PIPER JAFFRAY

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Adjusted Net Interest Cost - \$865,635.27

Adjusted TIC - 2.8435%

¹ \$945,000 Term Bond due 2040 with mandatory redemption in 2035-2039.

City of Minnetonka, Minnesota

\$2,630,000 Taxable G.O. Housing Improvement Bonds, Series 2019A

Sources & Uses

Dated 12/05/2019 | Delivered 12/05/2019

Sources Of Funds

Par Amount of Bonds	\$2,630,000.00
Prepaid Assessments	620,338.31
Total Sources	\$3,250,338.31

Uses Of Funds

Total Underwriter's Discount (0.488%)	12,846.33
Costs of Issuance	43,952.00
Deposit to Project Construction Fund	3,193,539.98
Total Uses	\$3,250,338.31

City of Minnetonka, Minnesota

\$2,630,000 Taxable G.O. Housing Improvement Bonds, Series 2019A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/05/2019	-	-	-	-	-
08/01/2020	-	-	44,656.44	44,656.44	-
02/01/2021	100,000.00	1.700%	34,060.00	134,060.00	178,716.44
08/01/2021	-	-	33,210.00	33,210.00	-
02/01/2022	105,000.00	1.800%	33,210.00	138,210.00	171,420.00
08/01/2022	-	-	32,265.00	32,265.00	-
02/01/2023	110,000.00	1.850%	32,265.00	142,265.00	174,530.00
08/01/2023	-	-	31,247.50	31,247.50	-
02/01/2024	110,000.00	1.950%	31,247.50	141,247.50	172,495.00
08/01/2024	-	-	30,175.00	30,175.00	-
02/01/2025	115,000.00	2.050%	30,175.00	145,175.00	175,350.00
08/01/2025	-	-	28,996.25	28,996.25	-
02/01/2026	115,000.00	2.150%	28,996.25	143,996.25	172,992.50
08/01/2026	-	-	27,760.00	27,760.00	-
02/01/2027	120,000.00	2.250%	27,760.00	147,760.00	175,520.00
08/01/2027	-	-	26,410.00	26,410.00	-
02/01/2028	120,000.00	2.350%	26,410.00	146,410.00	172,820.00
08/01/2028	-	-	25,000.00	25,000.00	-
02/01/2029	125,000.00	2.450%	25,000.00	150,000.00	175,000.00
08/01/2029	-	-	23,468.75	23,468.75	-
02/01/2030	125,000.00	2.550%	23,468.75	148,468.75	171,937.50
08/01/2030	-	-	21,875.00	21,875.00	-
02/01/2031	130,000.00	2.650%	21,875.00	151,875.00	173,750.00
08/01/2031	-	-	20,152.50	20,152.50	-
02/01/2032	135,000.00	2.750%	20,152.50	155,152.50	175,305.00
08/01/2032	-	-	18,296.25	18,296.25	-
02/01/2033	135,000.00	2.800%	18,296.25	153,296.25	171,592.50
08/01/2033	-	-	16,406.25	16,406.25	-
02/01/2034	140,000.00	2.850%	16,406.25	156,406.25	172,812.50
08/01/2034	-	-	14,411.25	14,411.25	-
02/01/2035	145,000.00	3.050%	14,411.25	159,411.25	173,822.50
08/01/2035	-	-	12,200.00	12,200.00	-
02/01/2036	150,000.00	3.050%	12,200.00	162,200.00	174,400.00
08/01/2036	-	-	9,912.50	9,912.50	-
02/01/2037	155,000.00	3.050%	9,912.50	164,912.50	174,825.00
08/01/2037	-	-	7,548.75	7,548.75	-
02/01/2038	160,000.00	3.050%	7,548.75	167,548.75	175,097.50
08/01/2038	-	-	5,108.75	5,108.75	-
02/01/2039	165,000.00	3.050%	5,108.75	170,108.75	175,217.50
08/01/2039	-	-	2,592.50	2,592.50	-
02/01/2040	170,000.00	3.050%	2,592.50	172,592.50	175,185.00
Total	\$2,630,000.00	-	\$852,788.94	\$3,482,788.94	-

Yield Statistics

Bond Year Dollars	\$30,319.11
Average Life	11.528 Years
Average Coupon	2.8127109%
Net Interest Cost (NIC)	2.8550813%
True Interest Cost (TIC)	2.8435896%
Bond Yield for Arbitrage Purposes	2.7921650%
All Inclusive Cost (AIC)	3.0222583%

IRS Form 8038

Net Interest Cost	2.8127109%
Weighted Average Maturity	11.528 Years

Series 2019A TAX GO Housi | SINGLE PURPOSE | 11/18/2019 | 10:10 AM



City of Minnetonka, Minnesota

\$2,630,000 Taxable G.O. Housing Improvement Bonds, Series 2019A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2020	-	-	-	-	-
02/01/2021	100,000.00	1.700%	78,716.44	178,716.44	187,652.26
02/01/2022	105,000.00	1.800%	66,420.00	171,420.00	179,991.00
02/01/2023	110,000.00	1.850%	64,530.00	174,530.00	183,256.50
02/01/2024	110,000.00	1.950%	62,495.00	172,495.00	181,119.75
02/01/2025	115,000.00	2.050%	60,350.00	175,350.00	184,117.50
02/01/2026	115,000.00	2.150%	57,992.50	172,992.50	181,642.13
02/01/2027	120,000.00	2.250%	55,520.00	175,520.00	184,296.00
02/01/2028	120,000.00	2.350%	52,820.00	172,820.00	181,461.00
02/01/2029	125,000.00	2.450%	50,000.00	175,000.00	183,750.00
02/01/2030	125,000.00	2.550%	46,937.50	171,937.50	180,534.38
02/01/2031	130,000.00	2.650%	43,750.00	173,750.00	182,437.50
02/01/2032	135,000.00	2.750%	40,305.00	175,305.00	184,070.25
02/01/2033	135,000.00	2.800%	36,592.50	171,592.50	180,172.13
02/01/2034	140,000.00	2.850%	32,812.50	172,812.50	181,453.13
02/01/2035	145,000.00	3.050%	28,822.50	173,822.50	182,513.63
02/01/2036	150,000.00	3.050%	24,400.00	174,400.00	183,120.00
02/01/2037	155,000.00	3.050%	19,825.00	174,825.00	183,566.25
02/01/2038	160,000.00	3.050%	15,097.50	175,097.50	183,852.38
02/01/2039	165,000.00	3.050%	10,217.50	175,217.50	183,978.38
02/01/2040	170,000.00	3.050%	5,185.00	175,185.00	183,944.25
Total	\$2,630,000.00	-	\$852,788.94	\$3,482,788.94	\$3,656,928.39

Significant Dates

Dated	12/05/2019
First Coupon Date	8/01/2020

Yield Statistics

Bond Year Dollars	\$30,319.11
Average Life	11.528 Years
Average Coupon	2.8127109%
Net Interest Cost (NIC)	2.8550813%
True Interest Cost (TIC)	2.8435896%
Bond Yield for Arbitrage Purposes	2.7921650%
All Inclusive Cost (AIC)	3.0222583%

IRS Form 8038

Net Interest Cost	2.8127109%
Weighted Average Maturity	11.528 Years

City of Minnetonka, Minnesota

\$2,630,000 Taxable G.O. Housing Improvement Bonds, Series 2019A

Detail Costs Of Issuance

Dated 12/05/2019 | Delivered 12/05/2019

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$24,415.00
Bond Counsel (Kennedy & Graven)	\$6,000.00
Rating Agency Fee (Moody's)	\$12,500.00
Paying Agent (Bond Trust Services)	\$762.00
Hennepin County Fee	\$275.00
TOTAL	\$43,952.00



CREDIT OPINION

12 November 2019

 Rate this Research

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Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Minnetonka (City of) MN

Update to credit analysis

Summary

The [City of Minnetonka](#) (Aaa) is an inner-ring suburb of the economically strong Twin Cities ([Minneapolis](#), Aa1 negative; [St. Paul](#), Aa1 negative) metropolitan area. The city benefits from a large, diverse and affluent economic base. Additional credit strengths include well-managed finances reflected in a healthy operating trend and consistently strong reserves. The city has a low debt burden and a moderate pension burden.

Credit strengths

- » Wealthy and diverse tax base with economic ties to a large Twin Cities metropolitan area
- » Very strong operating reserves and liquidity
- » Modest fixed costs burden

Credit challenges

- » Exposure to unfunded pension liabilities associated with state-managed cost sharing plans

Rating outlook

Moody's does not typically assign outlooks to local governments with this amount of debt.

Factors that could lead to an upgrade

- » Not Applicable

Factors that could lead to a downgrade

- » Material narrowing of operating reserves or liquidity
- » Material growth in the city's leverage or fixed costs burden

Key indicators

Exhibit 1

Minnetonka (City of) MN	2014	2015	2016	2017	2018
Economy/Tax Base					
Total Full Value (\$000)	\$8,293,134	\$8,678,793	\$8,978,656	\$9,342,885	\$9,642,939
Population	50,897	51,249	51,651	52,102	52,102
Full Value Per Capita	\$162,940	\$169,346	\$173,833	\$179,319	\$185,078
Median Family Income (% of US Median)	164.1%	164.2%	164.4%	162.7%	162.8%
Finances					
Operating Revenue (\$000)	\$30,347	\$32,747	\$32,709	\$34,193	\$36,207
Fund Balance (\$000)	\$18,595	\$20,675	\$22,231	\$23,375	\$25,308
Cash Balance (\$000)	\$20,109	\$21,926	\$23,200	\$24,109	\$26,252
Fund Balance as a % of Revenues	61.3%	63.1%	68.0%	68.4%	69.9%
Cash Balance as a % of Revenues	66.3%	67.0%	70.9%	70.5%	72.5%
Debt/Pensions					
Net Direct Debt (\$000)	\$7,020	\$6,040	\$7,475	\$6,445	\$5,185
3-Year Average of Moody's ANPL (\$000)	\$70,171	\$65,516	\$73,425	\$75,475	\$76,897
Net Direct Debt / Full Value (%)	0.1%	0.1%	0.1%	0.1%	0.1%
Net Direct Debt / Operating Revenues (x)	0.2x (x)	0.2x	0.2x	0.2x	0.1x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.8%	0.8%	0.8%	0.8%	0.8%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	2.3x	2.0x	2.2x	2.2x	2.1x

Source: US Census Bureau, audited financial statements

Profile

The City of Minnetonka is located in [Hennepin County \(Aaa stable\)](#) in southeastern Minnesota and is a western suburb within the Twin Cities metro area. The city encompasses approximately 28 square miles and has an estimated population of approximately 52,000 residents.

Detailed credit considerations

Economy and tax base: affluent and mature Twin Cities suburb

Minnetonka's tax base is likely to remain stable in the long term because of its favorable location in the Twin Cities metropolitan area and healthy commercial presence that continues to attract development. Minnetonka's large tax base now exceeds \$10 billion and it has increased at an average annual rate of more than 4% over the last five years. Minnetonka is a mature suburb of the Twin Cities and is home to the headquarters of several large corporations including United Health Group, [Cargill Inc. \(A2 stable\)](#), and [Carlson Companies \(Carlson Travel Holdings, Inc. B2 stable\)](#). Construction within the city has averaged more than \$200 million annually during the last five years. The residential market continues expanding, with more than 1,500 housing units currently under construction. Continued development is expected surrounding the Southwest Light Rail Transit (LRT) Opus Station that will be located in Minnetonka, the construction of which is currently underway and city officials expect the line to open in 2023.

Minnetonka's income levels are strong with median family income at 163% of national figure. As of September 2019, the city's unemployment rate (2.3%) was below both the state's rate (2.5%) and the national rate (3.3%).

Financial operations and reserves: sound operating history support strong reserves

The city's financial operations are expected to remain healthy because of its strong operating history resulting in consistently healthy reserves. The city's policy is to maintain a general fund balance between 30% and 50% of next year's expenditures, with a goal of maintaining an undesignated fund balance at 40%. The city uses funds in excess of the 40% threshold for one-time capital projects.

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In fiscal 2018, the city's general fund recorded an operating surplus of more than \$1.7 million, which resulted in an available fund balance of \$23 million or a strong 65% of revenue. The operating surplus was net of a \$1.3 million transfer for capital projects and was largely driven by a combination of higher than budgeted permit fees on the revenue side and expenses coming in below budgeted figures. The city closed fiscal 2018 with a combined available fund balance of more than \$25 million, equal to 70% of revenue across the general fund and debt service fund. Current fiscal 2019 estimates reflect an additional surplus of about \$900,000 driven again by strong development related revenue. The city expects to adopt a balanced budget for fiscal 2020.

The city has one major enterprise fund to account for its water and sanitary sewer system and also maintains a few smaller enterprise funds to run stormwater management, recycling services, an ice arena, a fitness center and a marina. The city closed fiscal 2018 with a combined cash position across the enterprises totaling \$37 million, equal to more than 880 days cash on hand.

LIQUIDITY

The city's liquidity remains strong with a fiscal 2018 net cash position of \$26 million, or about 73% of revenue across the general fund and debt service fund. Across all governmental funds, the city's cash position cash totaled more than \$97 million.

Debt and pensions: low debt burden; moderate pension burden

The city has a low debt burden and a moderate pension burden. Inclusive of the city's 2019 bonds and net of the general obligation unlimited tax (GOULT) debt associated with its self-supporting enterprises, the city's net direct debt burden totals just under \$7 million, equal to a very low 0.1% of full value and 0.2x revenue. The city expects to issue approximately \$25 million in GOULT bonds during January 2020 for public safety improvements, which would increase the net direct debt burden to about 0.3% of full value and 0.9x revenue.

The city's adjusted net pension liability (ANPL), based on a 4.14% discount rate, totals \$69 million while the three year average totals \$77 million, equal to 0.8% of full value and 2.1x operating revenue. In comparison, the city's reported net pension liability, based on a 7.5% discount rate, totals about \$11 million.

The city's total fixed costs, inclusive of debt service, pension contributions and other post-employment benefit (OPEB) costs, typically hover around 9% of operating revenue

DEBT STRUCTURE

All of the city's debt is fixed rate, with about 53% of principal retired within 10 years.

DEBT-RELATED DERIVATIVES

The city has no debt-related derivatives

PENSIONS AND OPEB

The city participates in two multiple-employer cost-sharing plans, the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF). Minnesota statutes establish local government retirement contributions as a share of annual payroll. The 2018 employer contribution rates were set at 7.5% of payroll for GERF and at 16.2% of payroll for PEPFF. The city's total fiscal 2018 pension contribution totaled about 5% of operating revenue.

Statutory contribution levels have not kept pace with growing unfunded liabilities in statewide pension plans. Contributions to PEPFF from all participating governments in aggregate amounted to 90% of the plan's "tread water" indicator in 2018.¹The state of Minnesota approved legislation in 2018 that will modify benefits and modestly increase contributions for some pension plans. Employer contributions from cities to the police and fire plan, for example, will modestly increase to 17.7% by 2020 from the previous rate of 16.2% in 2018. Because employer contributions will not rise significantly, cities are unlikely to contend with material budget strain from the increases.

OPEB obligations do not represent a material cost for the city. The city does not offer explicit OPEB benefits, but allows retired employees to stay on its healthcare plan, creating an implicit rate subsidy. The city's pay-as-you-go OPEB contribution totaled less than \$100,000 in 2018. Both the city's reported net OPEB liability and our adjusted net OPEB liability for the city, based on the use of a different discount rate, total less than \$3 million.

Management and governance: strong institutional framework reflects easy ability to adjust revenue and expenditures

Minnesota cities have an Institutional Framework score of "Aa," which is strong. The sector has one or more major revenue sources that are not subject to any caps. Revenue tend to be predictable, as cities rely primarily on property taxes and state Local Government Aid (LGA), which is distributed based on demographic and tax base factors. Revenue-raising flexibility is moderate as cities generally benefit from unlimited levying authority, except during years in which the state has imposed limits. Levy limits are not currently in place for cities. Across the sector, fixed and mandated costs are relatively high. Expenditures mostly consist of personnel costs, which are highly predictable.

Minnetonka has a strong operating history and budgets conservatively for both revenue and expenditures, resulting in consecutive operating surpluses. Minnetonka has relatively little dependence on the state as its primary revenue drivers include property taxes (74%), licenses and permits (13%) and charges for services (5%). The little reliance on revenue from the [State of Minnesota \(Aa1 stable\)](#) limits the city's vulnerability to and potential state budgetary pressures.

Rating methodology and scorecard factors

Exhibit 2

Minnetonka (City of) MN

Rating Factors	Measure	Score
Economy/Tax Base (30%) ^[1]		
Tax Base Size: Full Value (in 000s)	\$10,167,513	Aa
Full Value Per Capita	\$195,146	Aaa
Median Family Income (% of US Median)	162.7%	Aaa
Finances (30%)		
Fund Balance as a % of Revenues	69.9%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	18.7%	Aa
Cash Balance as a % of Revenues	72.5%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	17.5%	Aa
Management (20%)		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures (x)	1.0x	Aa
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	0.1%	Aaa
Net Direct Debt / Operating Revenues (x)	0.2x	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	0.8%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	2.1x	A
Notching Factors: ^[2]		
Standardized Adjustments ^[3] : Unusually Strong or Weak Security Features - Secured by Statute		Up
	Scorecard-Indicated Outcome	Aaa
	Assigned Rating	Aaa

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Source: US Census Bureau, Moody's Investors Service

Endnotes

- Employer contributions that tread water equal the sum of current year service cost and interest on reported net pension liabilities at the start of the year, using reported assumptions. If plan assumptions are met exactly, contributions equal to the tread water indicator will prevent the reported net pension liabilities from growing.

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