



Agenda
Minnetonka Economic Development Authority
Monday, December 21, 2020
Following the regular meeting
WebEx

1. Call to Order
2. Roll Call: Calvert-Schaeppi-Coakley-Kirk-Schack-Carter-Wiersum
3. Approval of Agenda
4. Approval of Minutes:
 - A. December 7, 2020 EDA Meeting
5. Business Items:
 - A. Items related to a multi-family residential development by Dominion, at 11001 Bren Road East

Recommendation: Adopt the resolutions (4 votes)
6. Adjourn

Minutes
Minnetonka Economic Development Authority
Monday, December 7, 2020

1. Call to Order

Wiersum called the meeting to order at 10:55 p.m.

2. Roll Call

Commissioners Susan Carter, Deb Calvert, Bradley Schaeppi, Kissy Coakley, Brian Kirk, Rebecca Schack, and President Brad Wiersum were present.

3. Approval of Agenda

Barone noted there were no addendums to the agenda or meeting packet materials.

4. Approval of Minutes:

A. November 9, 2020 EDA meeting

Calvert moved, Kirk seconded a motion to accept the minutes, as presented.

All voted "yes." Motion carried.

5. Business Items:

A. 2021 HRA Preliminary Levy

Wischnack gave a presentation on the proposed HRA levy and budget for 2021. She invited council to offer questions and comments.

Calvert moved, Coakley seconded a motion to adopt EDA Res. 2020-008.

All voted "yes." Motion carried.

6. Adjournment

Calvert moved, Kirk seconded a motion to adjourn the meeting at 11:01 p.m.

All voted "yes." Motion carried.

Respectfully submitted,

Kyle Salage
Elections Specialist

EDA Agenda Item #5A
Meeting of Dec. 21, 2020

Brief Description	Items related to a multi-family residential development by Dominion, at 11001 Bren Road East
Recommendation	Adopt the resolutions

Background

On Aug. 27, 2018, the Minnetonka City Council and Economic Development Authority approved the zoning entitlements and financing items related to the Bren Road Station (senior housing) and Preserve at Shady Oak (workforce housing).

Current Financing Request

The developer, Dominion, has substantially completed the first and second buildings of the workforce housing project and is requesting an extension of the contract for the senior component of the building that is under construction. The contract for private development requires the developer to complete the minimum improvements outlined in the contract by Dec. 31, 2020. The developer has informed the city that it will not meet the deadline at the end of the year and is requesting an amendment to the contract to extend the date to June 30, 2021.

Additionally, the Tax Increment Financing (TIF) District was not certified by Hennepin County in this year for the city to begin making payments to the developer in 2020. The city and EDA must issue a revised TIF Note to provide TIF payments beginning on Aug. 1, 2021, and ending on Feb. 1, 2047. Revised TIF Notes are required for both the workforce and senior components of the project.

Additional information regarding this request is included in the attached memo from the city's EDA counsel, Julie Eddington, of Kennedy & Graven.

Staff Recommendation

Staff recommends that the city council adopt the resolutions approving the execution and delivery of the amended documents in connection with a senior housing and workforce housing development; and authorize city officials to approve non-substantive changes to the related documents:

- Resolution approving execution and delivery of amended documents in connection with senior housing project; and
- Resolution approving execution and delivery of amended documents in connection with workforce housing project.

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:

- Memo from Julie Eddington, Kennedy & Graven
- First Amendment to the Contract for Private Development
- Senior Housing TIF Note (redlined)
- Workforce Housing TIF Note (redlined)
- EDA board resolution approving execution and delivery of amended documents in connection with senior housing project
- EDA board resolution approving execution and delivery of amended documents in connection with workforce housing project

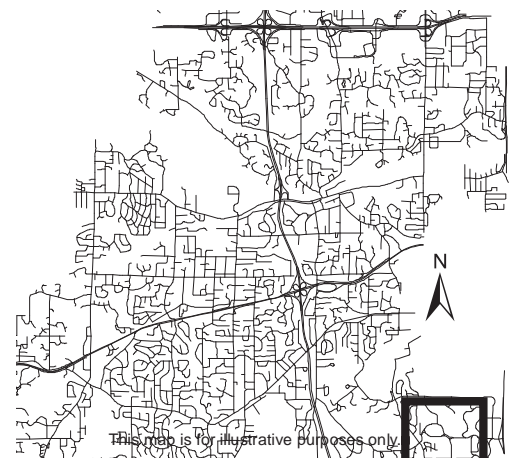
Supplemental Information:

The Dominium project page that lists previous meetings and staff reports can be found [here](#).



Location Map

Project: Dominion
Address: 11001 Bren Rd E





Offices in 470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis Minneapolis, MN 55402
(612) 337-9300 telephone
Saint Paul (612) 337-9310 fax
www.kennedy-graven.com
St. Cloud Affirmative Action, Equal Opportunity Employer

JULIE A. EDDINTON

Attorney at Law
Direct Dial (612) 337-9213
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December 14, 2020

Alisha Gray
Economic Development and Housing Manager
City of Minnetonka
14600 Minnetonka Boulevard
Minnetonka, MN 55345-1502

Re: Resolutions approving modifications related to Dominion workforce housing development and senior housing development conduit bond agreements and development agreements

Dear Alisha,

Minnetonka Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “Workforce Housing Developer”), has completed its development consisting of approximately 220 affordable multifamily housing apartment units, located at 11001 Bren Road East in the City of Minnetonka (the “Workforce Housing Development”). Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership (the “Senior Housing Developer”), is currently constructing its development consisting of approximately 262 affordable apartments for seniors located at 11001 Bren Road East in the City of Minnetonka (the “Senior Housing Development”). One hundred percent (100%) of the apartment units in both developments will be affordable to families or seniors (as applicable) at or below sixty percent (60%) of the area median income.

The construction completion deadline in the Contract for Private Development related to the Senior Housing Development is December 31, 2020. The Senior Housing Developer has asked for a short extension to June 30, 2021 finish the construction of the Senior Housing Development. A First Amendment to Contract for Private Development has been prepared for this purpose.

In addition, due to a clerical error, the Office of the State Auditor did not certify the TIF Districts related to the Senior Housing Development and the Workforce Housing Development in time to allow for the first tax increment payment to occur on August 1, 2020. Therefore, the TIF Notes related to both developments have been revised to provide for the first payment of tax increment to occur on August 1, 2021 and the last payment to be made on February 1, 2047.

Enclosed are the following resolutions:

- City Council resolution approving execution and delivery of amended documents in connection with senior housing project
- EDA Board resolution approving execution and delivery of amended documents in connection with senior housing project

- EDA Board resolution approving execution and delivery of amended documents in connection with workforce housing project

Please contact me with any questions.

Sincerely,

Julie Eddington

FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

between

CITY OF MINNETONKA, MINNESOTA

and

MINNETONKA LEASED HOUSING ASSOCIATES III, LLLP

Dated December 21, 2020

This document was drafted by:
KENNEDY & GRAVEN, Chartered (JAE)
150 South Fifth Street, Suite 700
Minneapolis, Minnesota 55402-1299
Telephone: (612) 337-9300

FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT

THIS FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT, is made on December 21, 2020 (the “First Amendment to Contract”), between the ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MINNETONKA, MINNESOTA, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), 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 MINNETONKA LEASED HOUSING ASSOCIATES III, LLLP, a Minnesota limited liability limited partnership (the “Developer”). This First Amendment to Contract amends the Contract for Private Development, dated September 14, 2018 (the “Original Agreement”), between the Authority, the City, and the Developer. All capitalized terms that are not otherwise defined herein shall have the meaning given such terms in the Original Agreement.

WITNESSETH:

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1082, as amended, and was authorized to transact business and exercise its powers by a resolution adopted by the City Council of the City; and

WHEREAS, the Authority and the City have undertaken a program to promote economic development and job opportunities, promote the development and redevelopment of land which is underutilized within the City, and facilitate the development of affordable housing, and in this connection created a redevelopment project known as the Opus Redevelopment Project (the “Redevelopment Project”) in the City, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended; and

WHEREAS, the City and the Authority have established within the Project the Dominium Housing Tax Increment Financing District, a housing district (the “TIF District”), and have adopted a financing plan (the “TIF Plan”) for the TIF District in order to facilitate development of certain property in the Redevelopment Project and promote the development of affordable housing within the City, all pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended; and

WHEREAS, the Authority, the City, and the Developer entered a Contract for Private Development, pursuant to which the Developer agreed to acquire certain property described in EXHIBIT A attached hereto (the “Development Property”) within the TIF District and develop approximately 262 affordable apartment units intended to be occupied by at least one individual who, at the time of initial occupancy of such unit, is 55 years of age or older, to be located at 11001 Bren Road East in the City, with one hundred percent (100%) of the apartment units made affordable to such tenants at or below sixty percent (60%) of the area median income (the “Minimum Improvements”); and

WHEREAS, in order to make the Minimum Improvements economically feasible for the Developer to construct, the Authority agreed to reimburse the Developer for certain land acquisition costs, site improvement costs, and costs of constructing housing related to the Minimum Improvements, which are eligible to be reimbursed with tax increment; and

WHEREAS, the Authority, the City, and the Developer are entering into this First Amendment to Contract, 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”. 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 the same may be from time to time modified, amended, or supplemented.

Section 1.1. of the Original Agreement is revised to include following definition:

“First Amendment” means this First Amendment to Contract, dated December 21, 2020, between the Authority, the City, and the Developer.

Section 1.2. Amendments to Section 4.3(a) “Commencement and Completion of Construction”. Section 4.3(a) of the Original Agreement is revised as follows:

(a) Subject to Unavoidable Delays, the Developer will commence the construction of the Minimum Improvements by March 1, 2019 and shall substantially complete the Minimum Improvements by ~~December 31, 2020~~ June 30, 2021.

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 First Amendment to Contract 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 First Amendment to Contract, shall be effective as of December 21, 2020.

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

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

IN WITNESS WHEREOF, the Authority has caused this First Amendment to Contract for Private Development to be duly executed in its name and behalf, the City has caused this First Amendment to Contract for Private Development to be duly executed in its name and behalf, and the Developer has caused this First Amendment to Contract for Private Development to be duly executed in its name and behalf, all as of the date and year first written above.

**ECONOMIC DEVELOPMENT AUTHORITY IN
AND FOR THE CITY OF MINNETONKA,
MINNESOTA**

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on December __, 2020, by Brad Wiersum, the President of the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me on December __, 2020, by Geralyn Barone, the Executive Director of the Economic Development Authority in and for the City of Minnetonka, Minnesota, a public body corporate and politic under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public

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 on December __, 2020, 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 on December __, 2020, 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

MINNETONKA LEASED HOUSING ASSOCIATES III, LLLP, a Minnesota limited liability limited partnership

By: Minnetonka Leased Housing Associates SPE III, LLC, a Delaware limited liability company
Its: General Partner

By: _____
Name: Ryan J. Lunderby
Its: Vice President

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on December ____, 2020, by Ryan J. Lunderby, the Vice President of Minnetonka Leased Housing Associates SPE III, LLC, a Delaware limited liability company, the general partner of Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership, on behalf of the Developer.

Notary Public

SCHEDULE A

DESCRIPTION OF DEVELOPMENT PROPERTY

Lot 1, Block 1, DOMINIUM 2ND ADDITION, Hennepin County, Minnesota

UNITED STATE OF AMERICA
STATE OF MINNESOTA
HENNEPIN COUNTY
ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE
CITY OF MINNETONKA

No. R-1

\$4,161,000

TAX INCREMENT REVENUE NOTE
SERIES 2018

Rate

Accrual Date

5.0%

(to be determined)

The Economic Development Authority in and for the City of Minnetonka, Minnesota (the “Authority”), for value received, certifies that it is indebted and hereby promises to pay to Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership, or registered assigns (the “Owner”), the principal sum of \$4,161,000 and to pay interest thereon at the annual interest rate set forth above, as and to the extent set forth herein.

1. Payments. Principal and interest (the “Payments”) will be paid on August 1, ~~2020~~2021, and each February 1 and August 1 thereafter to and including February 1, ~~2046~~2047 (the “Payment Dates”), in the amounts and from the sources set forth in Section 3 herein. Payments will be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or any other address as the Owner may designate upon thirty (30) days’ written notice to the Authority. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Interest at the rate stated herein will accrue on the unpaid principal, commencing on the date the Authority receives and approves written evidence of the Owner’s expenditures related to land acquisition, site preparation, constructions of constructing housing, and other costs eligible to be reimbursed with tax increment related to the Minimum Improvements in an amount at least equal to \$4,161,000 (the “Accrual Date”), all in accordance with Section 3.4 of the Agreement (hereinafter defined). Interest accruing from and after the Accrual Date shall accrue on a simple basis and will not be added to principal. Interest will be computed on the basis of a year of three hundred sixty (360) days comprised of twelve (12) months of thirty (30) days.

3. Available Tax Increment. Payments on this Note are payable on each Payment Date in the amount of and solely payable from “Available Tax Increment,” which will mean, on each Payment Date, ninety percent (90%) of the Tax Increment attributable to the Development and paid to the Authority by Hennepin County in the six (6) months preceding the Payment Date, all as the terms are defined in the Contract for Private Development, dated September 14, 2018 (the “Agreement”), between the Authority, the City of Minnetonka, Minnesota, and Owner. Available Tax Increment will not include any Tax

Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement; provided, however, that once an Event of Default is cured, any Available Tax Increment withheld shall be deemed Available Tax Increment for the next Payment Date.

The Authority will have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the Authority to pay the entire amount of principal of or interest on this Note on any Payment Date will not constitute a default hereunder as long as the Authority pays principal of and interest hereon to the extent of Available Tax Increment. The Authority will have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, ~~2046~~2047.

4. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment will affect the amount or timing of any other regular payment otherwise required to be made under this Note.

5. Termination. At the Authority's option, this Note will terminate and the Authority's obligation to make any payments under this Note will be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured in accordance with Section 9.2 of the Agreement.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$4,161,000 all issued to aid in financing certain public development costs and administrative costs of a Redevelopment Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on July 23, 2018, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon will not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota nor any political subdivision thereof will be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Estimated Tax Increment Payments. Any estimates of Tax Increment prepared by the Authority or its municipal advisors in connection with the TIF District or the Agreement are for the benefit of the Authority, and are not intended as representations on which the Developer may rely.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE AVAILABLE TAX INCREMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THIS NOTE.

8. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the Executive Director of the Authority, by the Owner hereof in person or by the Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Authority, duly executed by the Owner. Upon the transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to the transfer or

exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

This Note will not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter attached to the Agreement or, in a form satisfactory to the Authority, that the transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the Authority according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

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

IN WITNESS WHEREOF, the Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota, has caused this Note to be executed with the manual signatures of its President and Executive Director, all as of ~~_____~~, ~~20~~2021.

**ECONOMIC DEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
MINNETONKA, MINNESOTA**

Executive Director

President

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the Authority's Executive Director, in the name of the person last listed below.

Date of Registration

Registered Owner

Signature of Executive Director

[September 14, 2018](#)

Minnetonka Leased Housing
Associates III, LLLP
Federal ID #82-5073497

Document comparison by Workshare 10.0 on Saturday, December 12, 2020
11:19:30 AM

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Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	12

UNITED STATE OF AMERICA
STATE OF MINNESOTA
HENNEPIN COUNTY
ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE
CITY OF MINNETONKA

No. R-1

\$3,648,000

TAX INCREMENT REVENUE NOTE
SERIES 2018

Rate

Accrual Date

5.00%

(to be determined)

The Economic Development Authority in and for the City of Minnetonka, Minnesota (the “Authority”), for value received, certifies that it is indebted and hereby promises to pay to Minnetonka Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership, or registered assigns (the “Owner”), the principal sum of \$3,648,000 and to pay interest thereon at the annual interest rate set forth above, as and to the extent set forth herein.

1. Payments. Principal and interest (the “Payments”) will be paid on August 1, ~~2020~~2021, and each February 1 and August 1 thereafter to and including February 1, ~~2046~~2047 (the “Payment Dates”), in the amounts and from the sources set forth in Section 3 herein. Payments will be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or any other address as the Owner may designate upon thirty (30) days’ written notice to the Authority. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Interest at the rate stated herein will accrue on the unpaid principal, commencing on the date the Authority receives and approves written evidence of the Owner’s expenditures related to land acquisition, site preparation, constructions of constructing housing, and other costs eligible to be reimbursed with tax increment related to the Minimum Improvements in an amount at least equal to \$3,648,000 (the “Accrual Date”), all in accordance with Section 3.4 of the Agreement (hereinafter defined). Interest accruing from and after the Accrual Date shall accrue on a simple basis and will not be added to principal. Interest will be computed on the basis of a year of three hundred sixty (360) days comprised of twelve (12) months of thirty (30) days.

3. Available Tax Increment. Payments on this Note are payable on each Payment Date in the amount of and solely payable from “Available Tax Increment,” which will mean, on each Payment Date, ninety percent (90%) of the Tax Increment attributable to the Development and paid to the Authority by Hennepin County in the six (6) months preceding the Payment Date, all as the terms are defined in the Contract for Private Development, dated October 2, 2018 (the “Agreement”), between the Authority, the City of Minnetonka, Minnesota, and Owner. Available Tax Increment will not include any Tax Increment

if, as of any Payment Date, there is an uncured Event of Default under the Agreement; provided, however, that once an Event of Default is cured, any Available Tax Increment withheld shall be deemed Available Tax Increment for the next Payment Date.

The Authority will have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the Authority to pay the entire amount of principal of or interest on this Note on any Payment Date will not constitute a default hereunder as long as the Authority pays principal of and interest hereon to the extent of Available Tax Increment. The Authority will have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, ~~2046~~2047.

4. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the Authority without premium or penalty. No partial prepayment will affect the amount or timing of any other regular payment otherwise required to be made under this Note.

5. Termination. At the Authority's option, this Note will terminate and the Authority's obligation to make any payments under this Note will be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured in accordance with Section 9.2 of the Agreement.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of \$3,648,000 all issued to aid in financing certain public development costs and administrative costs of a Redevelopment Project undertaken by the Authority pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the Authority on July 23, 2018, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended. This Note is a limited obligation of the Authority which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon will not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority. Neither the State of Minnesota nor any political subdivision thereof will be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Estimated Tax Increment Payments. Any estimates of Tax Increment prepared by the Authority or its municipal advisors in connection with the TIF District or the Agreement are for the benefit of the Authority, and are not intended as representations on which the Developer may rely.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE AVAILABLE TAX INCREMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THIS NOTE.

8. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the Authority kept for that purpose at the principal office of the Executive Director of the Authority, by the Owner hereof in person or by the Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Authority, duly executed by the Owner. Upon the transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Authority with respect to the transfer or

exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

This Note will not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the Authority has been provided with an investment letter in a form substantially similar to the investment letter attached to the Agreement or, in a form satisfactory to the Authority, that the transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the Authority according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

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

IN WITNESS WHEREOF, the Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota, has caused this Note to be executed with the manual signatures of its President and Executive Director, all as of ~~October 2~~ _____, ~~2018~~2021.

**ECONOMIC DEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
MINNETONKA, MINNESOTA**

Executive Director

President

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the Authority's Executive Director, in the name of the person last listed below.

Date of Registration

Registered Owner

Signature of Executive Director

[October 2, 2018](#)

Minnetonka Leased Housing
Associates II, LLLP
Federal ID #82-2656566

Document comparison by Workshare 10.0 on Saturday, December 12, 2020
11:22:05 AM

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Document 2 ID	PowerDocs://DOCSOPEN/691477/2
Description	DOCSOPEN-#691477-v2-Revised_Minnetonka_Dominium_Workforce_TIF_Note
Rendering set	Standard

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Deleted cell	
Moved cell	
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Moved to	0
Style change	0
Format changed	0
Total changes	12

EDA Resolution No. 2020-_____

Resolution approving the execution and delivery of amended documents in connection with a senior housing development

Be it resolved by the Board of Commissioners (the "Board") of the Economic Development Authority in and for the City of Minnetonka, Minnesota (the "Authority") as follows:

Section 1. Background.

- 1.01. The City of Minnetonka, Minnesota (the "City"), the Authority, and Minnetonka Leased Housing Associates III, LLLP, a Minnesota limited liability limited partnership (the "Developer"), entered into a Contract for Private Development, dated September 14, 2018 (the "Development Agreement"), pursuant to which the Developer agreed to acquire certain property (the "Development Property") and develop approximately 262 affordable apartment units for seniors, to be located at 11001 Bren Road East in the City, with one hundred percent (100%) of the apartment units made affordable to seniors at or below sixty percent (60%) of the area median income (the "Minimum Improvements").
- 1.02. In consideration for the construction of the Minimum Improvements, the Authority issued its Tax Increment Revenue Note, Series 2018 (the "TIF Note"), in the maximum principal amount of \$4,161,000, to reimburse the Developer for certain qualified costs related to the Minimum Improvements. Semiannual payments with respect to the TIF Note were expected to commence on August 1, 2020 and continue through February 1, 2046. The TIF Note is payable from tax increment revenue generated from property within the Dominion Housing Tax Increment Financing District (the "TIF District"), a housing district within the Opus Redevelopment Project in the City, and attributable to the Development Property.
- 1.03. Pursuant to Section 4.3 of the Development Agreement, the Developer is required to substantially complete construction of the Minimum Improvements by December 31, 2020 (the "Completion Date"). The Developer has informed the City and the Authority that it will be unable to complete the Minimum Improvements by the Completion Date provided in the Development Agreement. A First Amendment to the Development Agreement has been prepared that amends the Development Agreement to extend the Completion Date to June 30, 2021.
- 1.04. The TIF District was not certified in time for payments on the TIF Note to commence on August 1, 2020. The Authority has determined the need to issue a revised TIF Note to provide for semiannual payments on the TIF Note commencing on August 1, 2021 and ending on February 1, 2047.

Section 2. Amendments.

- 2.01. The Board hereby approves the First Amendment to Development Agreement in substantially the form on file in City Hall. The President and Executive Director are hereby authorized and directed to execute and deliver the First Amendment

to Development Agreement. All of the provisions of the First Amendment to Development Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The First Amendment to Development Agreement shall be substantially in the form on file with the Authority which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the President and the Executive Director, in their discretion, shall determine, and the execution thereof by the President and the Executive Director shall be conclusive evidence of such determination.

- 2.02. The Board hereby approves the issuance of a revised TIF Note showing the amended payment dates and authorizes and directs the President and the Executive Director to execute the revised TIF Note and deliver it under the terms set forth in the Development Agreement.
- 2.03. The President and the Executive Director are hereby authorized and directed to execute any documents deemed necessary to carry out the intentions of this resolution.
- 2.04. This resolution shall be effective from and after the date hereof.

Adopted by the Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota on Dec. 21, 2020.

Brad Wiersum, President

ATTEST:

Becky Koosman, Secretary

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 Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota, at a duly authorized meeting held on Dec. 21, 2020.

Becky Koosman, Secretary

MN140-194 (JAE)
691539v1

EDA Resolution No. 2020-_____

Resolution approving the execution and delivery of a revised TIF Note in connection with a workforce housing development

Be it resolved by the Board of Commissioners (the “Board”) of the Economic Development Authority in and for the City of Minnetonka, Minnesota (the “Authority”) as follows:

Section 1. Background.

- 1.01. The City of Minnetonka, Minnesota (the “City”), the Authority, and Minnetonka Leased Housing Associates II, LLLP, a Minnesota limited liability limited partnership (the “Developer”), entered into a Contract for Private Development, dated October 2, 2018 (the “Development Agreement”), pursuant to which the Developer agreed to acquire certain property (the “Development Property”) and develop approximately 220 workforce housing apartment units, to be located at 10987 and 11015 Bren Road East in the City, with one hundred percent (100%) of the apartment units made affordable to individuals and their families at or below sixty percent (60%) of the area median income (the “Minimum Improvements”).
- 1.02. In consideration for the construction of the Minimum Improvements, the Authority issued its Tax Increment Revenue Note, Series 2018 (the “TIF Note”), in the maximum principal amount of \$3,648,000, to reimburse the Developer for certain qualified costs related to the Minimum Improvements. Semiannual payments with respect to the TIF Note were expected to commence on August 1, 2020 and continue through February 1, 2046. The TIF Note is payable from tax increment revenue generated from property within the Dominion Housing Tax Increment Financing District (the “TIF District”), a housing district within the Opus Redevelopment Project in the City, and attributable to the Development Property.
- 1.03. The TIF District was not certified in time for payments on the TIF Note to commence on August 1, 2020. The Authority has determined the need to issue a revised TIF Note to provide for semiannual payments on the TIF Note commencing on August 1, 2021 and ending on February 1, 2047.

Section 2. Amendments.

- 2.01. The Board hereby approves the issuance of a revised TIF Note showing the amended payment dates and authorizes and directs the President and the Executive Director to execute the revised TIF Note and deliver it under the terms set forth in the Development Agreement.
- 2.02. The President and the Executive Director are hereby authorized and directed to execute any documents deemed necessary to carry out the intentions of this resolution.
- 2.03. This resolution shall be effective from and after the date hereof.

Adopted by the Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota on Dec. 21, 2020.

Brad Wiersum, President

ATTEST:

Becky Koosman, Secretary

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 Board of Commissioners of the Economic Development Authority in and for the City of Minnetonka, Minnesota, at a duly authorized meeting held on Dec. 21, 2020.

Becky Koosman, Secretary
MN140-194 (JAE)
691523v1