

RESOLUTION NO. EDA 15-2

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 1-31.

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Coon Rapids Economic Development Authority (the "EDA") of the City of Coon Rapids, Minnesota, as follows:

WHEREAS, the City Council for the City of Coon Rapids, Minnesota (the "City"), intends to establish Tax Increment Financing District No. 1-31 (the "TIF District") within Redevelopment Project No. 1 (the "Project"), and will adopt a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project.

WHEREAS, the EDA has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, other qualifying improvements, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from EDA funds available for such purposes.

WHEREAS, under Minnesota Statutes, Section 469.178, Subd. 7, the EDA is authorized to advance or loan money from the EDA's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

WHEREAS, the EDA intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

NOW THEREFORE BE IT RESOLVED by the Board as follows:

1. The EDA hereby authorizes the advance of up to \$25,000 from the HRA fund or so much thereof as may be paid as Qualified Costs. The EDA shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 4% and will not fluctuate.
2. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the EDA has Available Tax Increment (defined below), or on any other dates determined by the Executive Director of the EDA, through the date of last receipt of tax increment from the TIF District.
3. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the Executive Director of the EDA, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Anoka County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes

or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

4. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the EDA without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.
5. This Interfund Loan is evidence of an internal borrowing by the EDA in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the EDA. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan 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 Interfund Loan or other costs incident hereto. The EDA shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.
6. The EDA may amend the terms of this Interfund Loan at any time by resolution of the Board, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Approved by the Board on April 7, 2015.

Jerry Koch, President

ATTEST:

Denise Klint, Secretary