

Councilmember introduced the following resolution and moved for its adoption:

**RESOLUTION #12-01-XXX**

**APPROVING THE TERMS OF \$1,811,000 INTERNAL LOAN  
IN CONNECTION WITH TIF DISTRICT NO. 2**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, MINNESOTA ("CITY") AS FOLLOWS:

Section 1. Background.

1.01. The City has heretofore has established Tax Increment Financing District No. 2 (the "TIF District") within Development District No. 1 (the "Development District"), and has adopted a tax increment financing plan for the purpose of financing certain improvements for the Project within the Development District.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of \$1,811,000 in construction and right-of way costs related to the Northstar Rail Station (collectively, the "Qualified Costs"), which costs will be financed on a temporary basis from the Landfill Trust Fund.

1.03. Under Minnesota Statutes, Section 469.178, Subdivision 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally made, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from TIF District No. 2 in accordance with the terms of this resolution (which terms are referred to collectively as the "TIF Loan").

Section 2. Terms of Interfund Loan.

2.01 The City hereby authorizes the advance of up to \$1,811,000 from the Landfill Trust Fund so much thereof as may be paid as Qualified Costs. The City shall reimburse itself from TIF District No. 2 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 2% and will not fluctuate.

2.02. Principal and interest ("Payments") shall be paid semi-annually on each August 1 and February 1 ("Payment Dates"), commencing on the first Payment Date after receipt of the tax increment from TIF District No. 2 and continuing through the earlier of (a) the date the principal and accrued interest of the TIF Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District. Payments will be made in the amount and only to the extent of Available Tax Increment as hereinafter defined. Payments shall be applied first to accrued interest, and then to unpaid principal. Interest accruing from the date of each expenditure to the first Payment Date shall

be compounded semiannually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the City of Ramsey.

2.03. Payments on this TIF Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, all of the tax increment generated in the preceding six (6) months with respect to the property within TIF District No. 2 and remitted to the City by Anoka County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.179. Payments on this TIF Loan are subordinate 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.

2.04. The principal sum and all accrued interest payable under this TIF Loan are pre-payable in whole or in part at any time by the City 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 TIF Loan.

2.05. This TIF Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, subdivision 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This TIF 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 City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this TIF 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 TIF Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the TIF Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this TIF Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 10<sup>th</sup> day of January, 2012.

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Mayor

ATTEST:

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City Clerk