

Councilmember introduced the following resolution and moved for its adoption:

**RESOLUTION #24-071**

**RESOLUTION APPROVING THE TERMS OF UP TO A \$5,000,000 INTERFUND LOAN IN CONNECTION WITH COR INFRASTRUCTURE IMPROVEMENTS – RAMSEY PARKWAY, ZEOLITE STREET AND CENTER STREET IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 14**

WHEREAS, the City of Ramsey, Minnesota (the "City") has established TIF District No. 14 (The "TIF District"), a redevelopment district within Development District No. 1 in the City, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"); and

WHEREAS, the City may pay for certain costs related to and incurred within the TIF District (the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

WHEREAS, under Minnesota Statutes, Section 469.178, Subd. 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.

WHEREAS, the City intends to reimburse itself for the payment of the Qualified Costs (consisting of \$5,000,000), plus interest thereon, 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 CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:**

- (1) Terms of Interfund Loan.
  - (a) The City hereby authorizes the advance of up to \$2,000,000 from the City's Tax Increment Financing District #1 Fund, \$3,000,000 from the City's Tax Increment Financing District #2 Fund, or any other fund designated by the City, or so much thereof as may be paid as Qualified Costs. The City 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 5.00% and will not fluctuate.
  - (b) Principal and interest on the Interfund Loan (the "Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (i) the date the principal and accrued interest of the Interfund Loan is paid in full, or (ii) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.
  - (c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by

Anoka County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

- (d) 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 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 Interfund Loan.
- (e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The 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 City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of 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 the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District. The City may amend the terms of the Interfund 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.

(2) 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 12<sup>th</sup> day of March, 2024.

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Mayor

**ATTEST:**

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City Clerk