

MEETING NOTICE AND AGENDA

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY BOARD OF COMMISSIONERS

August 5, 2016

**Following 9:30 a.m. City Council Meeting
Room 317, City Hall
350 South 5th Street, Minneapolis, Minnesota**

Commission Members: Council Members Lisa Goodman (Chair), Jacob Frey (Vice-Chair), John Quincy (Secretary), Kevin Reich, Cam Gordon, Barbara Johnson, Blong Yang, Abdi Warsame, Elizabeth Glidden, Alondra Cano, Lisa Bender, Andrew Johnson and Linea Palmisano (quorum 7)

1. Accept Minutes of the Regular Meeting of April 1, 2016.
2. Passage of the attached resolution authorizing amendment of the Series 2007 revenue notes and execution of related documents for the Woman's Club of Minneapolis project.

Notice: A portion of this meeting may be closed to the public pursuant to Minnesota Statutes Section 13D.03 or 13D.05.

Attention: If you need this material in an alternative format please call Ayianna Kennerly at 612-490-2222 or email Ayianna.Kennerly@minneapolismn.gov. Deaf and hard-of-hearing persons may use a relay service to call 311 agents at (612) 673-3000. TTY users may call (612) 673-2157 or (612) 673-2626. If you have any questions regarding this material please call 311 or (612) 673-2046; Hmong - Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, hu (612) 673-2800; Spanish - Atención. Si desea recibir asistencia gratuita para traducir esta información, llama (612) 673-2700; Somali - Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la' aan wac (612) 673-3500. If you need a disability related accommodation, please contact CouncilCommitteeCoordinators@minneapolismn.gov.

The City of Minneapolis invites and encouraged participation by every resident to each program, service, and event within our city. Should you require an accommodation in order for you to fully participate, or should you require this document in a different format, please let us know by contacting 311 or 612-673-3000 at least 5 days prior to the noticed meeting.

Minutes
Regular Meeting
Minneapolis Community Development Agency Board of Commissioners
April 1, 2016

Present: Council Members Lisa Goodman (Chair), Jacob Frey (Vice-Chair), John Quincy (Secretary), Kevin Reich, Cam Gordon, Barbara Johnson, Blong Yang, Abdi Warsame, Elizabeth Glidden, Lisa Bender, Andrew Johnson and Linea Palmisano.

Absent: Alondra Cano.

Chair Goodman called the meeting to order at **10:16 a.m., in Room 317 City Hall, Minneapolis, Minnesota, immediately following the Minneapolis City Council Meeting, a quorum being present.**

1. Accept Minutes of the Regular Meeting of July 24, 2015.
2. Passage of the attached resolution of support for a Minnesota Investment Fund loan application related to the Total Quality Logistics, LLC expansion project in Minneapolis.

Frey moved approval. Seconded

Adopted

Yeas – 12

Nays - 0

Yeas - Council Members: Lisa Goodman (Chair), Jacob Frey (Vice-Chair), Kevin Reich, Cam Gordon, Barbara Johnson, Blong Yang, Abdi Warsame, Elizabeth Glidden, Andrew Johnson and Linea Palmisano.

The meeting adjourned at 10:18 a.m.

John Quincy, Secretary

Date Minutes Accepted

City of Minneapolis Request for Committee Action

To: Community Development & Regulatory Services
Date: 7/26/2016
Referral: N/A
From: Community Planning & Economic Development
Lead Staff: Becky Shaw
Presented by: Becky Shaw
File Type: Resolution
Subcategory: Bond

Subject:

Modification of interest rate for Woman's Club of Minneapolis located at 410 Oak Grove Street.

Description:

1. Passage of City of Minneapolis Resolution authorizing first amendments to revenue bond documents for the Woman's Club of Minneapolis project.
2. Referring to the Minneapolis Board of Commissioners for passage of resolution authorizing amendment of the Series 2007 revenue notes and execution of related documents.

Previous Actions:

April 27, 2007 City Council authorized the issuance of up to \$2,915,000 in 501(c)(3) Tax-exempt MCDA Bank Qualified Bank Direct Revenue Bonds for the refunding of outstanding City of Minneapolis Series 2002 Bonds.

March 25, 2002 City Council authorized the issuance of up to \$5,500,000 in 501(c)(3) Tax-exempt Revenue Bonds for the Woman's Club of Minneapolis.

Ward/Address:

Ward 7
410 Oak Grove Street

Background/Analysis:

Woman's Club of Minneapolis is a Minnesota 501(c)(3) non-profit organization. The Club started in the spring of 1907 with 25 influential local women. Today it is housed in the historic clubhouse built in 1928 at 410 Oak Grove Street. The Woman's Club has over 700 members and holds true to its original mission of charitable and educational operations, civil and social services, and friendly association.

In 2002, the City of Minneapolis issued \$5,500,000 in 501(c)(3) Tax-exempt Revenue Bonds for a significant capital improvement project. Improvements to the facility included an overhaul to the entire mechanical system, new elevator, expansion of kitchen and restrooms, and bringing the building up to current code.

In 2007, the City of Minneapolis and MCDA authorized the issuance of \$2,915,000 of Bank Qualified Bank Direct Revenue Bonds for the refunding of the outstanding 2002 Bonds. The current outstanding balance on those bonds is approximately \$1 million with an interest rate of 5%.

Woman's Club is now requesting a modification to the interest rate provision on the 2007 Note. Because these bonds are privately held, the interest rate can be reduced to 2.75% for the remaining term of the bonds.

Financial Review:

No financial impact.

Enter SUPB goals explanation.

Attachments:

1. City of Minneapolis Resolution
2. MCDA Resolution

**RESOLUTION
OF THE
MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY**

By Goodman

AUTHORIZING AMENDMENT OF THE COMMERCIAL DEVELOPMENT REVENUE NOTES, SERIES 2007 R1–R7 (THE WOMAN’S CLUB OF MINNEAPOLIS PROJECT) AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO.

WHEREAS, on May 15, 2007, the Minneapolis Community Development Agency (the “MCDA”) issued its \$2,900,000 Commercial Development Revenue Notes, Series 2007 R1–R7 (The Woman’s Club of Minneapolis Project) (the “Notes”) made payable to Phillip G. Amundson, as Trustee under the Phillip G. Amundson Trust dated July 17, 1996, Highland Bank, Stan F. Bachman and Gloria A. Bachman, husband and wife, Mary F. Alshouse, First Security Bank of Byron and Lloyd A. Amundson and Barbara A. Amundson, as Trustees under the Barbara A. Amundson Revocable Trust dated September 20, 2001 (collectively, the “Lenders”) and loaned the proceeds of the Notes to The Woman’s Club of Minneapolis, a Minnesota nonprofit corporation, (the “Borrower”), pursuant to a Loan Agreement dated as of May 15, 2007, between the MCDA and the Borrower (the “Loan Agreement”) to refinance tax-exempt debt issued in 2002 to finance and refinance capital improvements to the Borrower’s clubhouse facility at 410 Grove Street, Minneapolis; and

WHEREAS, pursuant to a Pledge Agreement dated as of May 15, 2007 between the MCDA and the Lender, the MCDA assigned its rights and interests under the Loan Agreement (except for certain rights of payment and indemnification) to the Lenders; and

WHEREAS, the Borrower has secured payment of its obligations under the Loan Agreement, including repayment of the Notes, by delivery to the Lenders of the Mortgage (as defined in the Loan Agreement); and

WHEREAS, in order to lower the interest rate on the Notes, the Borrower and the Lenders have agreed to modify the interest rate provisions in the Notes and have requested the MCDA to enter into a First Amendment of Notes to effect such change;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Minneapolis Community Development Agency:

That the form of Amendments to Note in Exhibit A are hereby approved and the Executive Director and Finance Officer are authorized to execute the Amendments to Note together with such other documents as Bond Counsel and the City Attorney consider appropriate in connection with the amendment of the Notes. In the event of the absence or disability of the Executive Director and Finance Officer such officers of the MCDA as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the Board do all things and execute all instruments and documents required to be done or executed by such

absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the MCDA herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

RECORD OF COMMISSIONER VOTE													
COMMISSIONER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COMMISSIONER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Bender							Palmisano						
Cano							Quincy						
Frey							Reich						
Glidden							Warsame						
Gordon							Yang						
Johnson, A							Chair						
Johnson, B							Goodman						

PASSED _____
DATE

APPROVED NOT APPROVED

CHAIRPERSON DATE

MAYOR DATE

EXHIBIT A

FORM OF FIRST AMENDMENT TO COMMERCIAL DEVELOPMENT REVENUE NOTE, SERIES 2007 (THE WOMAN'S CLUB OF MINNEAPOLIS PROJECT)

THIS FIRST AMENDMENT (this "Amendment") is effective as of August 1, 2016, by and between THE MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY (the "MCDA") and _____, a _____ ("the "Lender") with the consent of THE WOMAN'S CLUB OF MINNEAPOLIS, a Minnesota nonprofit corporation (the "Borrower").

RECITALS:

A. The MCDA issued its Commercial Development Revenue Note, Series 2007R-__ (The Woman's Club of Minneapolis Project) dated as of May 15, 2007 made payable to the order of the Lender in the original principal amount of \$_____ (the "Note"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Note.

B. The MCDA, the Lender and the Borrower desire to amend the Note upon the terms and conditions set forth in this Amendment.

AGREEMENTS:

NOW, THEREFORE, the City and the Lender hereby agree as follows:

1. Tax Exempt Interest Rate. The interest rate on the Note as set forth in the first, unnumbered paragraph of the Note is reduced from 5% per annum to 2.75% per annum.
2. Prepayment. Paragraph 7 of the Note is amended to be as follows:

"7. This Note may be prepaid without premium on any payment date set forth in Paragraph 1 of this Note upon 30 days notice to the Lender."
3. Fees and Expenses. The Borrower agrees to pay or reimburse the MCDA and Lender for all reasonable out-of-pocket expenses (including, without limitation, reasonable attorneys' fees, and out-of-pocket disbursements of the MCDA's and Lender's legal counsel and Bond Counsel) incurred by the MCDA and Lender in connection with this Amendment and related documents.
4. Counterparts. This Amendment may be executed in two or more counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.
5. References to Note. All references to the Note in any document or instrument related to the Note are hereby amended and shall refer to the Note as amended by this Amendment. This Amendment shall be attached to and become a part of the Note. Except as amended hereby, the provisions of the Note shall remain unmodified and in full force and effect.