

Resolution
of the
HOUSING AND REDEVELOPMENT AUTHORITY
St. Louis County, Minnesota
Adopted on: July 1, 2014 Resolution No. 14-184
Offered by Commissioner: Stauber

**North Shore Community School
Bank Qualified Tax Exempt Bond Pilot Program**

WHEREAS, The North Shore Community School and ABC of North Shore Community School, Inc., its associated non-profit building company, has requested assistance from the St. Louis County Housing and Redevelopment Authority (HRA) through issuance of \$3.3 million in bank qualified, tax exempt bonds; and

WHEREAS, The St. Louis County HRA is an eligible issuer under Minn. Stat. §§ 469.152 through 469.165 of bonds to finance projects described in the Act and the North Shore Community School Construction Project has been determined to be eligible under the Act; and

WHEREAS, The costs for the HRA with bond issuance will be paid by North Shore Community School and ABC of North Shore Community School, Inc.; and

WHEREAS, Legal documents associated with the bond issuance will assure that the HRA has no liability for repayment of the bonds, monitoring of the construction, or monitoring of the future viability of the North Shore Community School and ABC of North Shore Community School, Inc.;

THEREFORE, BE IT RESOLVED, That the HRA Board approves proceeding with a pilot project application to issue \$3.3 million in bank qualified, tax exempt bonds for the North Shore Community School Construction Project and to charge a \$3,000 application fee and an administrative fee of one percent, \$33,000 of the bond issuance. The application fee is to be paid with application and the administrative fee at closing of the bond issuance;

RESOLVED FURTHER, That the HRA Executive Director is requested to use this pilot project to develop policy and procedure for HRA Board consideration with potential future bond issuance of this type in accordance with the requirements of the Internal Revenue Code;

RESOLVED FURTHER, That the HRA Board authorizes the Executive Director to accept the application for a pilot project and upon review of a complete application, proceed with necessary steps to issue \$3.3 million in bank qualified tax exempt bonds for the North Shore Community School Construction Project;

RESOLVED FURTHER, That project labor agreements will be utilized for the project and all appropriate loan documents indicate therein.

Commissioner Stauber moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas - Commissioners Jewell, Miller, Dahlberg, Forsman, Stauber, Nelson, and Chair Raukar – 7
Nays – None

STATE OF MINNESOTA
Office of County Auditor, ss.
County of St. Louis

I, DONALD DICKLICH, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 1st day of July, A.D. 2014, and that the same is a true and correct copy of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 1st day of July, A.D., 2014.

DONALD DICKLICH, COUNTY AUDITOR

By

Clerk of the H.R.A.

Resolution
of the
HOUSING AND REDEVELOPMENT AUTHORITY
St. Louis County, Minnesota
Adopted on: July 1, 2014 Resolution No. 14-185
Offered by Commissioner: Nelson

**RESOLUTION CALLING FOR A PUBLIC HEARING ON A PROJECT
BY NORTH SHORE COMMUNITY SCHOOL UNDER MINNESOTA
STATUTES, CHAPTER 469**

BE IT RESOLVED, by the governing body (the “Board”) of the Housing and Redevelopment Authority of St. Louis County, Minnesota (the “Issuer”), as follows:

1. Authority. Fryberger, Buchanan, Smith & Frederick, P.A. (“Bond Counsel”) has informed the Board that Minnesota Statutes, Sections 469.152 through 469.165, as amended (the “Act”) authorizes a municipality or redevelopment agency to issue revenue obligations to finance a project consisting of any properties, real or personal, used or useful in connection with a revenue producing enterprise and pay, purchase or discharge all or any part of the outstanding indebtedness of an organization that is primarily engaged in educational activities as an elementary, secondary or postsecondary school, which indebtedness was previously incurred in the acquisition or betterment of its existing facilities.
2. The Project.
 - a. Representatives of ABC of North Shore Community School, Inc., a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Borrower”), have advised the Issuer that the Borrower desires to undertake the following project: constructing and equipping an approximately 10,000 square foot addition to an existing kindergarten through sixth grade charter school facility located at 5926 Ryan Road, Duluth, Minnesota and also to pay a portion of the costs associated with the financing (the “Project”). The proposed Project will be owned by the Borrower and leased to and operated by the North Shore Community School, a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
 - b. Bond Counsel has advised the Issuer that the proposed Project qualifies for financing under the Act.
3. The Obligations. The Borrower’s representatives have represented that the economic feasibility of the Project will be greatly enhanced through the issuance of revenue obligations by the Issuer and requests that the Issuer declare its present intent to issue its revenue obligations in an amount not to exceed \$3,300,000, in one or more series, pursuant to the Act in order to finance the cost of the Project (the “Obligations”).

4. Issuance of Obligations.

- a. It is hereby declared to be the intention of the Issuer to issue the Obligations in the principal amount not to exceed \$3,300,000 for the purpose of financing the costs of the Project.
- b. Preliminary approval is hereby given to the Obligations to be issued for the Project, subject to satisfying the procedural requirements of the Act and subject to approval of the Project by the Department of Employment and Economic Development.
- c. The Obligations, when, as and if issued, shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer, and the Obligations, when, as and if issued, shall recite in substance that the Obligations, including interest thereon, are payable solely from the revenues received from the Borrower and the property pledged to the payment thereof and shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation.
- d. All details of and conditions precedent to the issuance of the Obligations and the provisions for payment thereof shall be subject to final approval of the Issuer.

5. Public Hearing. The Issuer will conduct a public hearing on the issuance of the Obligations and the proposal to undertake and finance the Project.

6. DEED Application. Bond Counsel is authorized and directed to prepare the State of Minnesota Department of Employment and Economic Development Application for Approval of Industrial Development/Revenue Bond Project, pursuant to Minn. Stat. § 469.152 – 469.165 with respect to the Project.

7. Authorization to Staff.

- a. Bond Counsel is authorized and directed to cause the notice substantially in the form attached hereto as Exhibit A to be published in the official newspaper of the Issuer and a newspaper of general circulation in the jurisdiction of the Issuer not less than 14 days nor more than 30 days prior to the date set for the public hearing; provided that if the official newspaper of the Issuer is a newspaper of general circulation in the jurisdiction of the Issuer, the notice may be published only once.
- b. The administrative staff of the Issuer and their agents are hereby authorized to take such further action necessary to carry out the intent and purpose of this resolution and the requirements of the Act.

HRA Resolution No. 14-185

Page 3 of 4

8. Issuer Costs. Delivery of the Obligations to the purchaser thereof is subject to the agreement by the Borrower that it will pay the administrative fees of the Issuer and pay, or, upon demand, reimburse the Issuer for payment of, any and all costs incurred by the Issuer in connection with the Project and the issuance of the Obligations, whether or not the Project is carried to completion, or the Obligations are issued.
9. Rights Reserved. Nothing in this resolution shall be construed as an indication of an intent to approve this Project and issue the proposed Obligations. The Board specifically reserves the right to approve or disapprove the request after said public hearing.

Commissioner Nelson moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas - Commissioners Jewell, Miller, Dahlberg, Forsman, Stauber, Nelson, and Chair Raukar – 7
Nays – None

STATE OF MINNESOTA
Office of County Auditor, ss.
County of St. Louis

I, DONALD DICKLICH, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 1st day of July, A.D. 2014, and that the same is a true and correct copy of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 1st day of July, A.D., 2014.

DONALD DICKLICH, COUNTY AUDITOR

By

Clerk of the H.R.A.

EXHIBIT A
NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT AND THE ISSUANCE OF REVENUE BONDS
TO FINANCE EDUCATIONAL FACILITIES

HOUSING AND REDEVELOPMENT AUTHORITY OF ST. LOUIS COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the Housing and Redevelopment Authority of St. Louis County, Minnesota (the "Issuer") will meet on Tuesday, August 5, 2014, at 9:40 a.m., or as soon thereafter as reasonably possible in the County Board Room, 2nd Floor, St. Louis County Courthouse, 100 N. 5th Avenue West in Duluth, Minnesota, for the purpose of conducting a public hearing on the proposal that the Issuer issue its revenue obligations, in one or more series, under Minnesota Statutes, Sections 469.152 through 469.165, in order to undertake and finance the cost of a project and a portion of the costs associated with the financing. The proposed project will be owned by ABC of North Shore Community School, Inc. and leased to and operated by the North Shore Community School, each a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and will consist of constructing and equipping an approximately 10,000 square foot addition to an existing kindergarten through sixth grade charter school facility located at 5926 Ryan Road, Duluth, Minnesota (the "Project"). The estimated total amount of the proposed revenue obligations will not exceed \$3,300,000.

The obligations and the interest thereon shall be limited obligations of the Issuer and shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, nor shall the Issuer be subject to any liability on them. No holder of the obligations shall ever have the right to compel any exercise of the taxing power of the Issuer to pay the obligations or the interest thereon, nor to enforce payment of them against any property of the Issuer except those projects, or portions thereof, mortgaged or otherwise encumbered.

A draft copy of the proposed Application to the Minnesota Department of Employment and Economic Development for approval of the project, together with all attachments and exhibits thereto, is available for public inspection at the office of the Executive Director at the address set forth in the first paragraph of this notice between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except legal holidays.

All persons interested may appear and be heard at the time and place set forth above or may submit written comments to the Executive Director in advance of the hearing.