

LINO LAKES ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 21-01

RESOLUTION APPROVING AN ASSIGNMENT AND ASSUMPTION AGREEMENT AND AN AMENDED AND RESTATED CONTRACT FOR PRIVATE DEVELOPMENT WITH LYNGBLOMSTEN AT LINO LAKES, LLC

WHEREAS, the City of Lino Lakes (the “City”) and the Lino Lakes Economic Development Authority (the “Authority”) previously approved the creation of Tax Increment Financing (Housing) District No. 1-5 and Tax Increment Financing (Housing) District No. 1-13 (the “TIF District”) within Development District No. 1 in the City, all in accordance with Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the Authority and Lyngblomsten Senior Housing, Inc., a Minnesota nonprofit corporation (the “Assignor”), entered into Contract for Private Development, dated July 23, 2019 (the “Original Agreement”), pursuant to which the Authority agreed to provide financial assistance in the form of tax increment to the Assignor and the Assignor agreed to develop and construct (i) a senior rental housing facility with approximately 142 units, comprised of approximately 92 independent living and approximately 50 assisted living units, with at least twenty percent (20%) of such units to be available to persons of low and moderate income, as described herein (the “Senior Building”); (ii) 20 detached townhomes; (iii) subject to obtaining the proper licensing from the State of Minnesota, approximately 56 units in which skilled nursing services would be provided, to be constructed as part of the Senior Building or an expansion to the Senior Building; and (iv) a clubhouse for use by the residents of the senior rental housing facility; and

WHEREAS, pursuant to Section 469.178 of the TIF Act and the provisions of the Original Agreement, the Authority agreed to issue a tax increment note to the Assignor in the maximum amount of \$3,218,000 (the “Original TIF Note”) to reimburse the Assignor for costs related to the Senior Building if the conditions set forth in the Original Agreement were satisfied, but the TIF Note was never issued; and

WHEREAS, pursuant to Section 8.2 of the Original Agreement, the Assignor is permitted to assign its rights and interests in and its obligations under the Original Agreement to an affiliate thereof; and

WHEREAS, the Assignor desires to assign to Lyngblomsten at Lino Lakes, LLC, a Minnesota limited liability company (the “Developer”) all of the Assignor’s rights and interests in and obligations under the Original Agreement, and the Assignee desires to assume such rights and interests of the Assignor and the Assignor’s obligations under the Original Agreement; and

WHEREAS, the parties to the Original Agreement and the Assignee have proposed to revise the description of the Minimum Improvements under the Original Agreement to instead include a senior rental housing facility with approximately 167 units, comprised of (i) approximately 96 independent living apartments, 35 assisted living units, and 16 assisted memory care units, with at least twenty percent (20%) of such units to be available to persons of low and moderate income, as described herein (the “Senior Housing Units”) and (ii) 20 detached independent living townhomes (the “Townhomes”) upon a portion of the TIF District Property (collectively, the “Minimum Improvements”); and

WHEREAS, there has been presented before this Board of Commissioners of the Authority (the “Board”) forms of (i) an Assignment and Assumption of Contract for Private Redevelopment (the

“Assignment and Assumption Agreement”) between the Authority, the Assignor, and the Assignee, pursuant to which the Authority will consent to the Assignor’s assignment of, and the Assignee’s assumption of, its rights and interests as the “Developer” in and its obligations as “Developer” under the Original Agreement to the Assignee; and (ii) an Amended and Restated Contract for Private Development (the “Amended and Restated Agreement,” and together with the Assignment and Assumption Agreement, the “Agreements”) between the Authority and the Assignee as the “Developer” thereunder (the “Developer”), pursuant to which the Developer will agree to construct the Minimum Improvements and the Authority will issue its tax increment note to the Senior Housing Developer in the maximum principal amount of \$3,656,000 to reimburse the Senior Housing Developer for a portion of qualified redevelopment costs related to the acquisition of land and construction of the portion of the Minimum Improvements related to the Senior Housing Units (as defined in the Amended and Restated Agreement) and

BE IT RESOLVED by the Board of Commissioners of the Lino Lakes Economic Development Authority as follows:

Section 1. Authorizations.

1.01. Approval of Agreements. The Authority hereby authorizes and directs the President and Executive Director to execute and deliver the Agreements. All of the provisions of the Agreements, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Agreements shall be substantially in the forms on file with the Authority, which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the President and the Executive Director, in their discretion, shall determine, and the execution thereof by the President and the Executive Director shall be conclusive evidence of such determination.

1.02. Issuance of TIF Note. The Authority hereby finds and determines that it is in the best interests of the Authority that it issue the TIF Note to the Senior Housing Developer in the maximum aggregate principal amount of \$3,656,000, for the purpose of financing costs related to the Senior Housing Units. The Authority hereby delegates to the Executive Director the determination of the date on which the TIF Note is to be delivered, in accordance with Section 3.6 of the Amended and Restated Agreement. Pursuant to the Amended and Restated Agreement, the TIF Note shall be issued to the Senior Housing Developer. The TIF Note shall be dated as of the date of delivery and shall not bear any interest. The Authority shall receive in exchange for the delivery of the TIF Note the payment by the Senior Housing Developer of the Senior Housing Units Costs (as defined in the Amended and Restated Agreement). The TIF Note will be delivered in accordance with the terms of Section 3.6 of the Amended and Restated Agreement.

Section 2. Form of TIF Note. The TIF Note shall be in substantially the form attached as an exhibit to the Amended and Restated Agreement, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue.

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The TIF Note shall be issued as a single typewritten note numbered R-1. The TIF Note shall be issuable only in fully registered form. Principal of the TIF Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates. Principal of the TIF Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date (as defined in the TIF Note), whether or not such day is a business day.

3.03. Registration. The Authority hereby appoints the Executive Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the TIF Note and the registration of transfers and exchanges of the TIF Note.

(b) Transfer of TIF Note. Upon surrender for transfer of the TIF Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new TIF Note of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the TIF Note shall not be transferred to any person other than an affiliate, or other related entity, of the owner unless the Authority has been provided with a certificate of the transferor, in a form reasonably satisfactory to the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The TIF Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) Improper or Unauthorized Transfer. When the TIF Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such TIF Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name the TIF Note is at any time registered in the bond register as the absolute owner of the TIF Note, whether the TIF Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of such TIF Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such TIF Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the TIF Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed TIF Note. In case any TIF Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new TIF Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated TIF Note or in lieu of and in substitution for such TIF Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of such TIF Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such TIF Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or

indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. The TIF Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed TIF Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new TIF Note prior to payment.

3.04. Preparation and Delivery. The TIF Note shall be prepared under the direction of the Executive Director and shall be executed on behalf of the Authority by the signatures of its President and Executive Director. In case any officer whose signature shall appear on the TIF Note shall cease to be such officer before the delivery of the TIF Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the TIF Note has been so executed, it shall be delivered by the Executive Director to the owner in accordance with the Amended and Restated Agreement.

Section 4. Security Provisions.


4.01. Pledge. The Authority hereby pledges to the payment of the principal on the TIF Note all Available Tax Increment as defined in the TIF Note. Available Tax Increment shall be applied to payment of the principal of the TIF Note in accordance with the terms of the form of TIF Note set forth in Section 2 hereof.

4.02. Bond Fund. Until the date the TIF Note is no longer outstanding and no principal thereof remains unpaid, the Authority shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of the TIF Note. The Authority irrevocably agrees to appropriate to the Bond Fund in each year Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the Authority's account for the TIF District upon the payment of all principal to be paid with respect to the TIF Note.

Section 5. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to the owner of the TIF Note certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the TIF Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon full execution of the Agreements.

Approved by the Board of Commissioners of the Lino Lakes Economic Development Authority this 7th day of September, 2021.



President, Chris Lyden

ATTEST:



Executive Director, Sarah Cotton