

**CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2023-092**

**RESOLUTION AWARDING THE SALE OF \$7,880,000
GENERAL OBLIGATION STREET RECONSTRUCTION,
ABATEMENT AND EQUIPMENT BONDS, SERIES 2023B**

A. WHEREAS, the Mayor announced that the next order of business was consideration of the proposals which had been received for the purchase of the City's \$7,880,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B (the "Bonds")

B. WHEREAS, the City Finance Director presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals are as set forth in **EXHIBIT A** attached.

After due consideration of the proposals, Member _____ then introduced the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

BE IT RESOLVED By the City Council of the City of Northfield, Dakota and Rice Counties, Minnesota (the "City") in regular meeting assembled as follows:

Section 1. Background.

1.01 The City is authorized by Minnesota Statutes, Sections 469.1812 to 469.1815 and Minnesota Statutes, Chapter 475, as amended (collectively, the "Abatement Act"), to issue its general obligation tax abatement bonds on such terms and in such manner as the City determines to finance a portion of the cost of the construction of various park improvement projects (the "Abatement Project"), subject to certain limitations contained in the Abatement Act.

1.02 On April 18, 2023, the City held a public hearing regarding, and adopted a resolution (the "Abatement Resolution") approving, property tax abatements in the maximum amount of \$3,600,000 (the "Abatements") on certain property in the City (the "Abatement Parcels") pursuant to the Act.

1.03 The City is authorized by Minnesota Statutes, Sections 410.32(g) and 412.301 (the "Equipment Act") to finance the acquisition of items of capital equipment (the "Equipment"), subject to certain limitations contained in the Equipment Act.

1.04 As required by the Equipment Act, (i) the expected useful life of each item of Equipment is or will be at least as long as the term of the of the Equipment Certificates (as defined below); and (ii) the principal amount of the Equipment Certificates will not exceed 0.25% of the estimated market value of taxable property in the City for taxes payable in 2023, which is the market value as last finally equalized.

1.05 The City is authorized by Minnesota Statutes, Section 475.58, Subdivision 3b (the “Street Reconstruction Act”) to finance all or a portion of the cost of a street reconstruction projects by the issuance of general obligation bonds of the City payable from ad valorem taxes.

1.06. On April 18, 2023, the City held a public hearing regarding a five year street reconstruction plan (the “Reconstruction Plan”) that describes the streets to be reconstructed, estimated costs, and any planned reconstruction of other streets in the City, and regarding issuance of bonds in the maximum principal amount of \$5,300,000, and approved the Reconstruction Plan and issuance of obligations by vote of at least 2/3 of the members of the City Council, all pursuant to the Street Reconstruction Act. The Reconstruction Plan authorizes issuance of bonds to pay the cost of street reconstruction projects in the City (the “Reconstruction Improvements”).

1.07 The City Council has determined that, within 30 days after the hearing, no valid petition for a referendum on issuance of bonds to pay costs of the Reconstruction Improvements was received by the City in accordance with the Street Reconstruction Act.

1.08 The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The City has retained Ehlers and Associates, Inc. as an independent municipal advisor in connection with the sale of the Bonds. The actions of the City staff and the City’s municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

Section 2. Sale of Bonds.

2.01 Authorization. It is hereby determined that it is necessary to provide financing for the Abatement Project, the Equipment and the Reconstruction Improvements and to finance those improvements through the issuance of the City’s \$7,880,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B (the “Bonds”).

2.02. Award to the Purchaser and Interest Rates. The proposal of _____, _____, _____ (the “Purchaser”) to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$_____ (par amount of \$7,880,000.00, plus a [net] premium of \$_____ less an underwriter’s discount of \$_____), for Bonds bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2025	%	2033	%
2026		2034	
2027		2035	
2028		2036	
2029		2037	
2030		2038	
2031		2039	
2032			

2.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the accounts in the Construction Fund hereinafter created, as determined by the City Finance Director after consultation with the City’s municipal advisor. The City Finance Director is directed to retain the good faith deposit of the Purchaser, pending completion of the sale of the Bonds. The Mayor and City Clerk are authorized to execute a contract with the Purchaser on behalf of the City, if requested by the Purchaser.

2.04. Terms of Bonds. The City will forthwith issue and sell the Bonds pursuant to Minnesota Statutes, Chapters 429, 444 and 475 (together, the “Act”), in the total principal amount of \$7,880,000, originally dated the date of delivery, in fully registered form in denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$350,000	2033	\$550,000
2026	450,000	2034	575,000
2027	460,000	2035	555,000
2028	470,000	2036	570,000
2029	490,000	2037	590,000
2030	505,000	2038	615,000
2031	520,000	2039	640,000
2032	540,000		

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

\$3,600,000 of the Bonds (the “Abatement Bonds”) maturing in the amounts and on the dates set forth below are being issued to finance the cost of the Abatement Project:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$155,000	2033	\$245,000
2026	200,000	2034	255,000
2027	205,000	2035	265,000
2028	210,000	2036	270,000
2029	220,000	2037	280,000
2030	225,000	2038	295,000
2031	230,000	2039	305,000
2032	240,000		

\$325,000 of the Bonds (the “Equipment Certificates”) maturing in the amounts and on the dates set forth below are being issued to finance the cost of the acquisition of the Equipment:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$25,000	2030	\$35,000
2026	30,000	2031	35,000
2027	30,000	2032	35,000
2028	30,000	2033	35,000
2029	30,000	2034	40,000

\$3,955,000 of the Bonds (the “Reconstruction Improvement Bonds”) maturing in the amounts and on the dates set forth below are being issued to finance the cost of the Reconstruction Improvements:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$170,000	2033	\$270,000
2026	220,000	2034	280,000
2027	225,000	2035	290,000
2028	230,000	2036	300,000
2029	240,000	2037	310,000
2030	245,000	2038	320,000
2031	255,000	2039	335,000
2032	265,000		

2.05. Optional Redemption. The City may elect on February 1, 2032, and on any day thereafter to prepay Bonds maturing on or after February 1, 2033. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

Section 3. Registration and Payment.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof is payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2024, to the registered owners thereof of record as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

3.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form 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 will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer such Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no

liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

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

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to the Registrar that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, written notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 days prior to the redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Roseville, Minnesota, as the initial Registrar. The Mayor and the City Clerk are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized

to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

3.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Clerk, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Finance Director will deliver the same to the Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

3.06. Form of Bond. The Bonds will be printed or typewritten in substantially the form set forth in **Exhibit B** attached hereto.

3.07. Approving Legal Opinion. The City Finance Director is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which will be complete except as to dating thereof and will cause the opinion to be printed on or accompany each Bond.

Section 4. Accounts; Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund and Accounts Maintained Therein. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the "General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B Debt Service Fund (the "Debt Service Fund"). The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Debt Service Fund will be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. The City will maintain the following accounts in the Debt Service Fund: the "Abatement Project Account," the "Equipment Account" and the "Street Reconstruction Account." Amounts in the Abatement Project Account are irrevocably pledged to the Abatement Bonds,

amounts in the Equipment Account are irrevocably pledged to the Equipment Certificates and amounts in the Street Reconstruction Account are irrevocably pledged to the Street Reconstruction Bonds.

(a) Abatement Project Account. To the Abatement Project Account in the Debt Service Fund there is hereby pledged and irrevocably appropriated and there will be credited: (i) proceeds of the ad valorem property taxes levied under Section 4.03(a) or hereafter levied the Street Abatement Bonds (the “Abatement Taxes”) and the Abatements, which ad valorem taxes and Abatements are pledged to the Abatement Project Account; (ii) capitalized interest financed from Abatement Bond proceeds, if any; (iii) a pro rata portion of the amount over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.03 hereof; (iv) all investment earnings on amounts in the Abatement Project Account of the Debt Service Fund; and (v) any other funds appropriated for the payment of principal or interest on the Abatement Bonds. The Finance Director must report to the City Council any current or anticipated deficiency in the Abatement Project Account in the amount necessary to pay principal of and interest on all of the Abatement Bonds when due. If a payment of principal or interest on the Improvement Bonds becomes due when there is not sufficient money in the Abatement Project Account in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of Abatement Taxes and Abatements when collected.

(b) Equipment Account. To the Equipment Account in the Debt Service Fund, there is hereby pledged and irrevocably appropriated and there will be credited: (i) proceeds of ad valorem property taxes levied under Section 4.03(b) or hereafter levied for the Equipment Certificates (the “Equipment Taxes”), which ad valorem taxes are pledged to the Equipment Account; (ii) capitalized interest financed from Equipment Certificates proceeds, if any; (iii) a pro rata portion of the amount of the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.03 hereof; and (iv) all investment earnings on funds in the Equipment Account; and (v) any and all other moneys which are properly available and are appropriated by the City Council to the Equipment Account. If a payment of principal or interest on the Equipment Certificates becomes due when there is not sufficient money in the Equipment Account in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of Equipment Taxes when collected.

(c) Street Reconstruction Account. The Finance Director shall timely deposit in, and there are pledged and appropriated to, the Street Reconstruction Account of the Debt Service Fund hereby created, (i) proceeds of ad valorem property taxes levied under Section 4.03(b) or hereafter levied for the Street Reconstruction Bonds (the “Street Reconstruction Taxes” and, together with the Abatement Taxes and the Equipment Taxes, the “Taxes”) for the Reconstruction Improvements, which ad valorem taxes are pledged to the Street Reconstruction Account, (ii) a pro rata portion of any amount over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.03 hereof, (iii) all investment earnings on funds in the Street

Reconstruction Account of the Debt Service Fund; and (iv) any and all other moneys which are properly available and are appropriated by the City Council to the Street Reconstruction Account of the Debt Service Fund. The Finance Director must report to the City Council any current or anticipated deficiency in the Street Reconstruction Account in the amount necessary to pay principal of and interest on all of the Street Reconstruction Bonds when due. If a payment of principal or interest on the Street Reconstruction Bonds becomes due when there is not sufficient money in the Street Reconstruction Account in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of Street Reconstruction Taxes when collected.

4.02. Construction Fund. The City hereby creates the General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B Construction Fund (the “Construction Fund”) to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Construction Fund: the “Abatement Project Account,” the “Equipment Account” and the “Street Reconstruction Account.” Amounts in the Abatement Project Account will be used to construct the Abatement Project, amounts in the Equipment Account will be used to acquire the Equipment, and amounts in the Street Reconstruction Account will be used to construction the Reconstruction Improvements.

(a) Abatement Project Account. Proceeds of the Abatement Bonds, less the appropriations made in Section 4.01(a) hereof, together with any other funds appropriated for the Abatement Project and the Abatements and Taxes collected during the construction of the Abatement Project, will be deposited in the Abatement Project Account of the Construction Fund to be used solely to defray expenses of the Abatement Project and the payment of principal of and interest on the Abatement Bonds prior to the completion and payment of all costs of the Abatement Project. Any balance remaining in the Abatement Project Account after the Abatement Project are completed and the cost thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Abatement Project Account of the Construction Fund is to be closed and any balance remaining therein and any subsequent collections of the Abatements and Taxes for the Abatement Project are to be deposited in the Abatement Project Account of the Debt Service Fund.

(b) Equipment Account. Proceeds of the Equipment Certificates, less the appropriations made in Section 4.01(b) hereof, will be deposited in the Equipment Account of the Construction Fund to be used solely to defray expenses of acquiring the Equipment. Any balance remaining in the Equipment Account, after the Equipment has been acquired and the cost thereof have been paid, may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Equipment Account of the Construction Fund is to be closed and any balance remaining therein is to be deposited in the Equipment Account of the Debt Service Fund.

(c) Street Reconstruction Account. Proceeds of the Reconstruction Improvement Bonds, less the appropriations made in Section 4.01(c) hereof, together with

any other funds appropriated for the Street Reconstruction Improvements, will be deposited in the Street Reconstruction Account of the Construction Fund to be used solely to defray expenses of the Street Reconstruction Improvements and the payment of principal of and interest on the Street Reconstruction Bonds prior to the completion and payment of all costs of the Street Reconstruction Improvements. Any balance remaining in the Street Reconstruction Account after the Street Reconstruction Improvements are completed and the costs thereof have been paid may be used as provided in Minnesota Statutes, section 475.65, under the direction of the City Council. Thereafter, the Street Reconstruction Account is to be closed and any balance remaining therein is to be deposited in the Street Reconstruction Account of the Debt Service Fund.

4.03. Tax Levy.

(a) For the purpose of paying the principal of and interest on the Abatement Bonds, there is hereby levied a direct annual irrepealable ad valorem property tax upon all of the taxable property in the City, which Abatement Taxes will be spread upon the tax rolls and collected with and as part of other general taxes of the City. Such Abatement Taxes will be credited to the Abatement Project Account of the Debt Service Fund above provided and will be in the years and amounts as set forth in **Exhibit C**. The tax levy herein provided will be irrepealable until all of the Abatement Bonds are paid, provided that the Finance Director may annually, at the time the City makes its tax levies, certify to the County Auditors of the Counties the amount available in the Abatement Account of the Debt Service Fund to pay principal and interest due during the ensuing year on the Abatement Bonds, and the County Auditors of the Counties will thereupon reduce the levy collectible during such year by the amount so certified.

(b) For the purpose of paying the principal of and interest on the Equipment Certificates, there is hereby levied a direct annual irrepealable ad valorem property tax upon all of the taxable property in the City, which Equipment Taxes will be spread upon the tax rolls and collected with and as part of other general taxes of the City. Such Equipment Taxes will be credited to the Equipment Account of the Debt Service Fund above provided and will be in the years and amounts as set forth in **Exhibit D**. The tax levy herein provided will be irrepealable until all of the Equipment Certificates are paid, provided that the Finance Director may annually, at the time the City makes its tax levies, certify to the County Auditors of the Counties the amount available in the Equipment Account of the Debt Service Fund to pay principal and interest due during the ensuing year on the Equipment Certificates, and the County Auditors of the Counties will thereupon reduce the levy collectible during such year by the amount so certified.

(c) For the purpose of paying the principal of and interest on the Street Reconstruction Bonds, there is hereby levied a direct annual irrepealable ad valorem property tax upon all of the taxable property in the City, which Street Reconstruction Taxes will be spread upon the tax rolls and collected with and as part of other general taxes of the City. Such Street Reconstruction Taxes will be credited to the Street Reconstruction Account of the Debt Service Fund above provided and will be in the years and amounts as set forth in **Exhibit E**. The tax levy herein provided will be irrepealable until all of the Street Reconstruction

Bonds are paid, provided that the Finance Director may annually, at the time the City makes its tax levies, certify to the County Auditors of the Counties the amount available in the Street Reconstruction Account of the Debt Service Fund to pay principal and interest due during the ensuing year on the Street Reconstruction Bonds, and the County Auditors of the Counties will thereupon reduce the levy collectible during such year by the amount so certified.

4.04. Registration of Resolution. The City Clerk is authorized and directed to file a certified copy of this resolution with the County Auditor-Treasurers of Dakota and Rice Counties and to obtain the certificates required by Section 475.63 of the Act.

4.05. Debt Service Coverage. It is hereby determined that the estimated collection of the foregoing Abatement Taxes and Abatements will produce at least 5% in excess of the amount needed to pay, when due, the principal and interest payments on the Abatement Bonds, the estimated collection of the foregoing Equipment Taxes will produce at least 5% in excess of the amount needed to pay, when due, the principal and interest payments on the Equipment Certificates and the estimated collection of the foregoing Street Reconstruction Taxes will produce at least 5% in excess of the amount needed to pay, when due, the principal and interest payments on the Street Reconstruction Bonds.

4.06. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, City Clerk and Finance Director, or any of them, are authorized and directed to certify that they have examined the Official Statement, prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is, as of the date thereof, a complete and accurate representation of the facts and representations made therein as it relates to the City.

5.03. Other Certificates. The Mayor, the City Administrator, the City Clerk and/or the City Finance Director, or any of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation

shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Administrator, the City Clerk and/or the City Finance Director, or any of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Payment of Costs of Issuance. The City authorizes the Purchaser to deposit the amount of Bond proceeds allocable to the payment of issuance expenses being paid on the closing date in accordance with the closing memorandum prepared by City's municipal adviser, Ehlers and Associates, Inc. for further distribution by Ehlers and Associates, Inc.

5.05. Electronic Signatures. The electronic signature of the Mayor, the City Administrator, the City Clerk and/or the City Finance Director, or any of them, to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01 Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, and limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States unless the Bonds qualify for an exception to the rebate requirement under the Code and related Treasury Regulations.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. No Designation of Qualified Tax -Exempt Obligations. The Bonds have not been designated as a “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code:

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 2.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (DTC). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar,) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words “Cede & Co.,” will refer to such new nominee of DTC; and upon receipt of such a notice, the City Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Representation Letter”) which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively in the manner provided in DTC’s Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate will not be considered an event of default with respect to the Bonds; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

8.02. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and City Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 9. Defeasance. When all Bonds (or all of any of the Abatement Bonds, Equipment Certificates or Reconstruction Bonds portion thereof) and all accrued interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution (with respect to the Abatement Bonds, Equipment Certificates or Reconstruction Bonds portion of the Bonds, as the case may be) to holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and

interest on the Bonds will remain in full force and effect. The City may discharge all Bonds (or all of either the Abatement Bonds, Equipment Certificates or Reconstruction Bonds portion thereof) which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Section 10. Effective Date. This resolution shall be in full force and effect from and after its passage.

PASSED by the City Council of the City of Northfield, Minnesota this 3rd day of October, 2023.

ATTEST:

City Clerk

Mayor

VOTE: ____ POWNELL ____ HOLMES ____ NESS ____ PETERSON WHITE
____ REISTER ____ SOKUP ____ ZUCCOLOTTO

EXHIBIT A
PROPOSALS

**EXHIBIT B
FORM OF BOND**

No. R-_____ UNITED STATES OF AMERICA \$_____
STATE OF MINNESOTA
COUNTIES OF DAKOTA AND RICE
CITY OF NORTHFIELD

GENERAL OBLIGATION STREET RECONSTRUCTION,
ABATEMENT AND EQUIPMENT BOND
SERIES 2023B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	February 1, 20____	October ____, 2023	

Registered Owner: Cede & Co.

The City of Northfield, Minnesota, a duly organized and existing municipal corporation in Dakota and Rice Counties, Minnesota (the “City”), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum set forth above on the Maturity Date specified above, unless called for earlier redemption, with interest thereon from the date hereof at the annual Interest Rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable February 1 and August 1 in each year, commencing August 1, 2024, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, as Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$7,880,000, all of like original issue date and tenor, except as to number, maturity date, denomination, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on October 3, 2023 (the “Resolution”), for the purpose of providing monies in part for various park improvement projects, various street reconstruction improvements and the acquisition of capital equipment and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 410.32(g) and 412.301, 469.1812 to 469.1815 and Minnesota Statutes, Chapter 475. The principal hereof and interest hereon are payable from certain property tax abatements and from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit

of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in tax abatements and ad valorem taxes pledged, which additional taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City may elect on February 1, 2032, and on any date thereafter to prepay Bonds maturing on or after February 1, 2033. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar will be affected by any notice to the contrary.

The City has not designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") relating to disallowance of interest expense for financial institutions.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by its home rule charter, the Constitution and laws of the State of Minnesota to be done, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner, that prior to the issuance of this bond the City Council of the City has provided funds for the payment of principal and interest on the bonds of this issue as the same become due, but the full faith and credit of the City is pledged for their payment and additional taxes will be levied, if required for such purpose, without limitation as to the rate or amount; and that this bond, together with all other indebtedness of the

City outstanding on the date of its issuance, does not exceed any constitutional, statutory or charter limitation thereon.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Northfield, Dakota and Rice Counties, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Clerk and has caused this Bond to be dated as of the date set forth below.

Dated: _____, 2023

CITY OF NORTHFIELD, MINNESOTA

City Clerk

Mayor

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES CORPORATION
ROSEVILLE, MINNESOTA

By _____
Authorized Representative

The following abbreviations, when used in the inscription of the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants
in common

UNIF GIFT MINN ACT _____ Custodian _____
(Cust) (Minor)

TEN ENT – as tenants
by entireties

under Uniform Gift or Transfer to
Minors

JT TEN – as joint tenants
with right of
survivorship and
not as tenants in
common

Act.....
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners)

Please insert social security or
other identifying number of assignee

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

NR122-62-893716.v1

EXHIBIT C

ABATEMENT BONDS TAX LEVY

<u>Collection Year</u>	<u>Levy Amount</u>
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	

EXHIBIT D

EQUIPMENT CERTIFICATES TAX LEVY

<u>Collection Year</u>	<u>Levy Amount</u>
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	

EXHIBIT E

RECONSTRUCTION IMPROVEMENT BONDS TAX LEVY

<u>Collection Year</u>	<u>Levy Amount</u>
2024	\$
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	

STATE OF MINNESOTA

COUNTY OF DAKOTA

COUNTY AUDITOR-TREASURER'S
CERTIFICATE AS TO
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor of Dakota County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Northfield, Minnesota, on October 3, 2023, levying taxes for the payment of \$7,880,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B, of said municipality dated October __, 2023 has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand this ____ day of _____, 2023.

County Auditor-Treasurer
Dakota County, Minnesota

Deputy

STATE OF MINNESOTA
COUNTY OF RICE

COUNTY AUDITOR-TREASURER'S
CERTIFICATE AS TO
TAX LEVY AND REGISTRATION

I, the undersigned County Auditor of Rice County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the City of Northfield, Minnesota, on October 3, 2023, levying taxes for the payment of \$7,880,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B, of said municipality dated October ____, 2023 has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand this ____ day of _____, 2023.

County Auditor-Treasurer
Rice County, Minnesota

Deputy