S. ✓

RESOLUTION NO. R-32-2020

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS TRANSACTION DOCUMENTS RELATED TO THE ALLOCATION TO LAS VEGAS COMMUNITY INVESTMENT CORPORATION OF NEW MARKET TAX CREDITS AND THE SUBSEQUENT ALLOCATION OF A PORTION OF SUCH TAX CREDITS TO LVCIC SUB-CDE IX, LLC FOR THE PURPOSES OF RESTORING AND OPERATION OF THE PROPERTY LOCATED AT 314 FOREMASTER LANE, LAS VEGAS, NEVADA 89101-1008 AND COMMONLY KNOWN AS THE COURTYARD HOMELESS RESOURCE CENTER AND RELATED AGREEMENTS THERETO ("TRANSACTION DOCUMENTS"); APPROVING THE EXECUTION AND DELIVERY OF THE TRANSACTION DOCUMENTS AND RELATED DOCUMENTS BY THE CITY OF LAS VEGAS, NEVADA AND CITY PARKWAY V, INC.; RATIFYING ACTIONS PREVIOUSLY TAKEN AND PERTAINING TO THE FOREGOING BY THE CITY, ITS OFFICERS AND EMPLOYEES AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the City of Las Vegas, a municipal corporation of the State of Nevada (the "City of Las Vegas"), Las Vegas Community Investment Corporation, a Nevada nonprofit corporation (the "Allocatee"), LVCIC SUB-CDE IX, LLC, a Nevada limited liability company (the "Sub-CDE"), and City Parkway V, Inc., a Nevada nonprofit corporation ("Lender"), desire to engage in transactions as more particularly described as follows (collectively, the "Transactions"):

WHEREAS, Allocatee received an allocation of New Markets Tax Credits ("NMTC") in the amount of $55,000,000 from the Community Development Financial Institutions Fund ("CDFI Fund") in the 2015-16 NMTC program year (the "2015-16 Allocation") and has received an allocation of NMTC in the amount of $45,000,000 from the CDFI Fund in the 2018 NMTC program year (the "2018 Allocation", together with the 2015-16 Allocation, the "Allocation"). On the date the Transactions are closed and funded (the "Closing Date"), (a) U.S. Bancorp Community Development Corporation, a Minnesota corporation ("USBCDC"), will make an aggregate capital contribution of approximately $7,600,000 to USBCDC Investment Fund 347, LLC, a Missouri limited liability company ("Fund 347") in exchange for a 100% membership interest therein; (b) Lender will make one or more loans in the aggregate principal amounts not to exceed $18,700,000 to Fund 347 (the "Fund Loan"); (c) Fund 347 will use a portion of the proceeds of the USBCDC

7 ✓

capital contribution and of the Fund Loan in accordance with the Sub-CDE Operating Agreement (as defined herein), to make one or more capital contributions to Sub-CDE, in the amount not to exceed $26,000,000 in exchange for a 99.99% membership interest therein; (d) in accordance with the Sub-CDE Operating Agreement, Allocatee will make a capital contribution not to exceed $2,600 to the Sub-CDE in exchange for a 0.01% membership interest therein; (e) the Sub-CDE will make two (2) loans in the aggregate principal amount not to exceed $25,220,000 (the "Project Loans") to Courtyard HRC, a Nevada nonprofit corporation (the "Project Borrower"); and (f) the Sub-CDE will pay a fee in the amount not to exceed $780,000 to the Allocatee.

WHEREAS, the Allocatee has allocated from the Allocation not to exceed $26,000,000 of NMTC authority to the Sub-CDE, and the Sub-CDE has designated the Fund 347's not to exceed $26,000,000 capital contributions as one or more "qualified equity investments" (each a "QEI"). The City of Las Vegas will lease to the Project Borrower pursuant to that certain Site Lease certain real property having an address of 314 Foremaster Lane, Las Vegas, Nevada 89101-1008 (the "Property") and thereby the Project Borrower will be the owner of a long-term leasehold interest in the Property. Project Borrower intends to rehabilitate a building on the Property and to construct one or more additional buildings thereon (collectively, the "Building"), and then lease the Building and the Property back to the City of Las Vegas pursuant to that certain Project Lease, which in turn will utilize the Building and the Property to provide services to the homeless population (the "Project"). The Project Borrower will use the proceeds of the Project Loans to finance the Project, and the City of Las Vegas will complete the rehabilitation and construction of the project on the Property on behalf of the Project Borrower pursuant to that certain Building Rehabilitation Agreement.

WHEREAS, the Transactions are intended to provide financing for the Project in a manner that entitles USBCDC to new markets tax credits (the "NMTCs") pursuant to Section 45D of the Internal Revenue Code of 1986, as amended (the "Code"). More specifically, the Sub-CDE is designed to constitute a "qualified community development entity," each of the Fund 347's capital contribution to the Sub-CDE is designed to qualify as a QEI, the Project Borrower is designed to qualify as a "qualified active low-income community business," and the Project Loans are each designed to qualify as a "qualified low-income community investment," as all of such terms are defined in Section 45D of the Code.

WHEREAS, Project Borrower has represented to the City of Las Vegas that Project Borrower has made application to qualify for tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

WHEREAS, (i) Project Borrower pursuant to the Site Lease will provide to the residents of the City of Las Vegas a service that the City of Las Vegas will otherwise have to expend money to provide, (ii) the Property pursuant to the Site Lease will be used by the Project Borrower to perform a service of value to members of the general public, (iii) the amount of rent to be paid by the Project Borrower under the Site Lease is the maximum amount of rent that Project Borrower is able to pay, and (iv) the service to be provided by Project Borrower pursuant to the Site Lease will be of assistance to the Las Vegas Redevelopment Agency.

WHEREAS, as part of the Transactions, there have been filed with the City Clerk, the forms of the following documents to be executed and delivered by the respective parties thereto (the "Transaction Documents"):

<u>City of Las Vegas Agreements.</u> The following are agreements to be entered into directly on or before the Closing Date by the City of Las Vegas (the "City Transaction Documents"):

(a) Site Lease by and between Project Borrower, as lessee, and the City of Las Vegas, as lessor;

(b) Project Lease Agreement by and between Project Borrower, as lessor, and the City of Las Vegas;

(c) Building Rehabilitation Agreement by and between the City of Las Vegas and Project Borrower;

(d) Construction and Disbursing Escrow Agreement by and between the City of Las Vegas and various parties dated;

(e) Construction Manager at Risk Construction Services Agreement by and between the City of Las Vegas and Core Construction Services of Nevada;

(f) Reimbursement and Compliance Agreement by and among Project Borrower, Lender and City of Las Vegas;

(g) Memorandum of Lease by and between Project Borrower and the City of Las Vegas;

(h) Debarment Certificate; and

(i) Any instruments, agreements, certificates, and documents as may be required in connection with, or which are otherwise related to, the Transactions.

Lender Agreements. The following are agreements to be entered into on or before the Closing Date by Lender in connection with the Transactions (the "Lender Transaction Documents"):

(a) Fund Loan Agreement by and between Lender and Fund 347 ("Fund Loan Agreement");

(b) Pledge Agreement by and between Lender and Fund 347 ("Fund Pledge Agreement");

(c) Grant Agreement between Lender and the City of Las Vegas;

(d) Debarment Certificate; and

(e) Any instruments, agreements, certificates, and documents as may be required in connection with, or which are otherwise related to, the Transactions.

RESOLVED, that (i) the Manager of Purchasing and Contracts for the City of Las Vegas or his/her designee ("City Purchasing and Contracts Manager") is hereby authorized and directed to execute and deliver the GMP Construction Contract and (ii) the Mayor of the City of Las Vegas or her designee (the "Mayor") is hereby authorized and directed, in the name of the City of Las Vegas, to execute and deliver all of the other City Transaction Documents. The City Purchasing and Contracts Manager or the Mayor shall be referred to herein as a "City Authorized Representative."

RESOLVED FURTHER, the form, terms, and provisions of the various documents to be executed and delivered to or with respect to the Transactions, including, without limitation all City Transaction Documents, are hereby ratified, approved, and confirmed, and the transactions described in and contemplated by the City Transaction Documents, are approved, ratified, and confirmed.

RESOLVED FURTHER, that any and all of the City Transaction Documents may contain such recitals, covenants, agreements, and other provisions as may be required and the applicable City Authorized Representative may approve, and the execution of such instruments, agreements, certificates, and documents by the applicable City Authorized Representative shall be conclusive evidence of such approval, and that the applicable City Authorized Representative is authorized from time to time to execute amendments, modifications, waivers, renewals or extensions of any and all such instruments, agreements and documents.

RESOLVED FURTHER, all actions previously taken by or on behalf of the City of Las Vegas in connection with the Transactions and the City Transaction Documents are hereby ratified, approved and confirmed, and no further action by or on behalf of the City of Las Vegas or any other person is required.

RESOLVED FURTHER, the City approves the Lender entering into and performing the obligations under the Lender Transaction Documents in substantially the forms of such documents on file with the City Clerk, with only such changes therein as are required by the circumstances and are not inconsistent herewith. The City authorizes each of Scott D. Adams, William Arent, Gary Ameling or their respective designees ("Lender's Authorized

Representative") to execute and deliver the documents on behalf of Lender as are required hereby and any instruments, agreements, certificates, and documents as may be required in connection with, or which are otherwise related to, the Transactions and which Lender's Authorized Representative may approve, including opening any bank accounts necessary to facilitate the Transaction.

RESOLVED FURTHER, all actions previously taken by or on behalf of Lender in connection with the Transactions and the Lender Transaction Documents are hereby ratified, approved and confirmed, and no further action by or on behalf of the Lender or any other person is required.

RESOLVED FURTHER, that USBCDC and Fund 347 are authorized to rely upon the foregoing resolutions unless and until USBCDC and Fund 347 receive written notice of revocation, and that the authority hereby granted shall apply with equal force and effect to the successors in office of the Authorized Representative

RESOLVED FURTHER, the City authorizes the officers, employees, agents and representatives of the City to take all action necessary or appropriate to effectuate the provisions of this Resolution.

RESOLVED FURTHER, the City approves the officers, employees, agents and representatives of Lender to take all action necessary or appropriate to effectuate the provisions of this Resolution.

PASSED, ADOPTED AND APPROVED THIS 22nd DAY OF JULY, 2020.

CITY OF LAS VEGAS

By: ______________________
CAROLYN G. GOODMAN, Mayor

ATTEST:

____
LUANN D. HOLMES, City Clerk, MMC, City Clerk

APPROVED AS TO FORM:

John S. Ridilla 7/8/2020
Date

John S. Ridilla
Deputy City Attorney