

**RESOLUTION 16D-41**

**RESOLUTION ESTABLISHING A POLICY AUTHORIZING THE EXECUTIVE DIRECTOR TO AUTHORIZE TEMPORARY LOANS BETWEEN VARIOUS TIF DISTRICTS FOR CASHFLOW PURPOSES**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the Executive Director is hereby authorized to authorize temporary loans from one TIF District fund within Fund 865 to another such TIF District fund, which loans shall bear no interest, to fund temporary short-falls of income to the receiving fund, provided that the following conditions are met:

1. The Executive Director determines that the District fund providing the loan has a sufficient positive balance and income stream to pay current obligations and to meet future obligations against said fund.

2. The Executive Director shall report to the DEDA Board at its next meeting the identity of the source fund and the receiving fund, the amount of the loan and the anticipated repayment date of the loan.

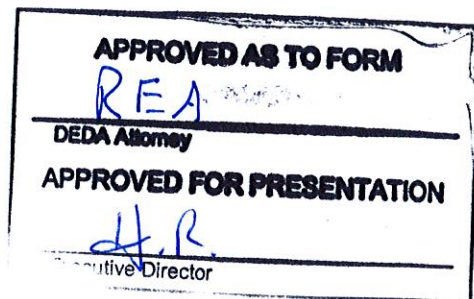
3. At least annually in conjunction with DEDA's annual budget approval, and more frequently if requested by the DEDA Board, the Executive Director shall report to the Board in writing the following:

- a. The aggregate original amount of all loans to any TIF District fund;
- b. The source and amount of each loan to said TIF District fund.
- 3. The unpaid balance of each loan from each source TIF District to said TIF District fund and the anticipated date of repayment.

Approved by the Duluth Economic Development Authority this 26th day of October, 2016.

ATTEST:

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Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to establish a policy and procedure allowing staff to make temporary "loans" from one TIF District fund to another to cover short-falls in cash flow commonly experienced by TIF Districts, especially in the early stages of a district when expenses are necessarily incurred but the project to which they are related has not yet generated any increment.

The resolution is intended to allow the Executive Director to authorize such temporary loans but requires that the Board be fully informed so that Board members can exercise their oversight function.