

Ordinance 49-15

An Ordinance of Supplemental Appropriation for Mille Lacs Corporate Ventures from Economic Development Fund for pre-purchase costs and escrow deposit for DoubleTree by Hilton St. Louis Park in St. Louis Park, Minnesota for Fiscal Year ending September 30, 2015.

The District II Representative introduced the following Bill on the 6th day of August, 2015.

Preamble

It is enacted by the Band Assembly of the Mille Lacs Band of Ojibwe for the purpose of appropriating for pre-purchase costs and escrow deposit funding for DoubleTree by Hilton St. Louis Park investment in St. Louis Park, Minnesota for the Fiscal Year ending September 30, 2015.

Title I

Section 1: Economic Development. The Band Assembly hereby appropriates and authorizes expenditures for Mille Lacs Corporate Ventures from the Gaming Economic Development Fund for Fiscal Year ending September 30, 2015.

Section 1.01: Amendment to Section 1.02. The Band Assembly hereby appropriates and authorizes the expenditures of: One Million Five Hundred Thousand and no cents (\$1,500,000.00) to Mille Lacs Corporate Ventures for pre-purchase costs and escrow deposit for DoubleTree by Hilton St. Louis Park investment in St. Louis Park, Minnesota under **Economic Development Fund**, which amends the **Total Fiscal Year 2015 Economic Development Fund** to read Fifteen Million, two hundred fifty nine thousand, eight hundred eighty nine dollars and no cents (\$15,205,913.00).

Section 1.02: Amendment to Section 1.03. The Band Assembly hereby appropriates and authorizes the expenditure of supplemental programmatic funds for the following:

<u>Tribal Operation Fiscal Year 2014</u>	<u>Supplemental</u>	<u>Amended Amount</u>
<u>Economic Development</u>		
Pre-purchase costs and Escrow deposit for DoubleTree by Hilton St. Louis Park Investment in St. Louis Park, Minnesota	\$1,500,000.00	\$15,205,913.00

All funds appropriated shall stay within the given budgeted amounts and the Mille Lacs Corporate Ventures shall update the Band Assembly on a monthly basis and include the Band Assembly in the formal close-out process. The escrow deposit and all remaining unspent funds appropriated shall be returned to the Mille Lacs Band no later than September 30, 2015.

Ordinance 49-15
(Band Assembly Bill 16-04-49-15)

Introduced to the Band Assembly on this
Sixth day of August in the year
Two thousand fifteen.

Passed by the Band Assembly on this
Sixth day of August in the year
Two thousand fifteen.



Carolyn Beaulieu, Speaker of the Assembly

APPROVED
Date: August 6, 2015



Melanie Benjamin, Chief Executive

OFFICAL SEAL OF THE BAND



THE MILLE LACS BAND OF
OJIBWE INDIANS
Legislative Branch of Tribal Government

JOINT RESOLUTION 16-03-78-15

**A JOINT RESOLUTION APPROVING THE ACQUISITION OF THE
DOUBLETREE BY HILTON HOTELS IN ST. LOUIS PARK,
MINNESOTA AND APPROVAL TO SEEK EXTERNAL FUNDING WITH
BANK OF AMERICA**

- WHEREAS, the Mille Lacs Band Assembly is the duly-elected governing body of the Mille Lacs Band of Ojibwe, a federally-recognized Indian tribe ("Band"); and
- WHEREAS, Mille Lacs Corporate Ventures ("MLCV"), formally known as the Mille Lacs Band Corporate Commission, is a corporate body politic organized under the Mille Lacs Band of Ojibwe; and
- WHEREAS, pursuant to 3 MLBSA § 2(d), the Band Assembly has the power to enact laws which regulate internal and external affairs of the Band in order to promote the general welfare of the people of the Band by adopting resolutions; and
- WHEREAS, pursuant to 4 MLBSA §6, the Chief Executive has the power to exercise the executive powers of Band government; and
- WHEREAS, MLCV submitted a winning bid of thirty-seven million five hundred thousand dollars (\$37,500,000) to acquire the DoubleTree by Hilton Hotels in St. Louis Park, Minnesota ("Hotel"); and
- WHEREAS, MLCV is seeking approval and authorization to fund the acquisition of the Hotel in the amount of forty-three million four hundred thousand dollars (\$43,400,000) to be financed with pass-through borrowings from Bank of America; and
- WHEREAS, one million dollars (\$1,000,000) escrow deposit and five hundred thousand dollars (\$500,000) for the franchise fee and due diligence costs, totaling an initial amount of one million five hundred thousand dollars (\$1,500,000) is needed upon acceptance of the bid to acquire the Hotel; and
- WHEREAS, the forty-three million four hundred thousand (\$43,400,000) financing from Bank of America will be needed by August 28, 2015 to cover final due diligence payment and acquisition.

DISTRICT I

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DISTRICT II

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DISTRICT IIA

2635 Channing Drive • Isle, MN 56342
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DISTRICT III

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URBAN OFFICE

1404 E. Franklin Avenue • Minneapolis, MN 55404
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NOW, THEREFORE, BE IT RESOLVED, that the Mille Lacs Band Assembly hereby authorizes the approval and fund request for the acquisition of the DoubleTree by Hilton Hotels in St. Louis Park, Minnesota; and

BE IT FURTHER RESOLVED, that MLCV is authorized to seek external funding with Bank of America.

WE DO HEREBY CERTIFY, that the foregoing resolution was duly concurred with and adopted at a regular session of the Band Assembly in Legislative Council assembled, a quorum of legislators being present held on the 16th day of July, 2015 at St. Louis Park, Minnesota by a vote of 3 FOR, 0 AGAINST, 0 SILENT.

IN WITNESS WHEREOF, we, the Band Assembly hereunto cause to have set the signature of the Speaker of the Assembly to be affixed to this resolution and forwarded to the Chief Executive for Concurrence.



Carolyn Beaulieu, Speaker of the Assembly

IN CONCURRENCE, with the action of the Speaker of the Assembly, I, set my hand to this resolution.



Melanie Benjamin, Chief Executive

OFFICIAL SEAL OF THE BAND



July 8, 2015

The Honorable Chief Executive Melanie Benjamin
The Honorable Secretary-Treasurer Carolyn Beaulieu
The Honorable District 1 Representative Sandra Blake
The Honorable District 2 Representative David "Niib" Aubid
The Honorable District 3 Representative Harry Davis

Mille Lacs Band of Ojibwe
43408 Oodena Drive
Onamia, MN 56359

Subject: Hotel Purchase - DoubleTree by Hilton St. Louis Park

Dear Distinguished Members:

Please accept this letter as the formal request for approval of funding in the amount of **\$43,400,000.00** for the purchase of the DoubleTree by Hilton located in St. Louis Park, MN. Similar to previous purchases, we are requesting a loan from the Band with funds borrowed from Bank of America, N.A. to fund the acquisition, renovation and operation of the hotel.

<u>Purpose</u>	<u>Cost</u>
Business Purchase	\$37,500,000
Property Improvements	\$5,200,000
DoubleTree Franchise Fee	\$150,000
Utility & Property Tax Deposit	\$110,000
Closing Costs	\$240,000
Working Capital	\$200,000
Total Acquisition Cost	\$43,400,000

We anticipate signing the purchase agreement within the next week and will need to have a \$1M escrow deposit and the \$500K in pre-purchase costs (franchise fee and due diligence items) available for release. The closing date has tentatively been set for August 28, 2015 or 10 days after franchise approval, whichever is later.

Please contact me with questions; I can be reached at 532-8882.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph S. Nayquonabe".

Joseph S. Nayquonabe
Commissioner of Corporate Affairs

CC: Ronda Weizenegger, CFO
Jeff Castillo, Director of Investments & Economic Development
Adam Valdez, Commissioner of Finance
Stacey Thunder, Legislative Counsel
Darcie Big Bear, Parliamentarian