

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Great Falls, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. 10331, entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF UP TO \$3,700,000 TAX INCREMENT URBAN RENEWAL REVENUE BONDS, SERIES 2020 (WEST BANK URBAN RENEWAL DISTRICT), SUBJECT TO THE TERMS AND LIMITATIONS SET FORTH HEREIN; AND AUTHORIZING THE CITY MANAGER AND FISCAL SERVICES DIRECTOR TO ENTER INTO A BOND PURCHASE AGREEMENT WITH RESPECT THERETO" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on February 18, 2020 and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commission Members voted in favor thereof: \_\_\_\_\_  
\_\_\_\_\_; voted against  
the same: \_\_\_\_\_; abstained from voting  
thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand officially this \_\_\_\_ day of February, 2020.

(SEAL)

\_\_\_\_\_  
City Clerk

RESOLUTION NO. 10331

RESOLUTION AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF UP TO \$3,700,000 TAX INCREMENT URBAN RENEWAL REVENUE BONDS, SERIES 2020 (WEST BANK URBAN RENEWAL DISTRICT), SUBJECT TO THE TERMS AND LIMITATIONS SET FORTH HEREIN; AND AUTHORIZING THE CITY MANAGER AND FISCAL SERVICES DIRECTOR TO ENTER INTO A BOND PURCHASE AGREEMENT WITH RESPECT THERETO

BE IT RESOLVED by the City Commission (the “Commission”) of the City of Great Falls, Montana (the “City”), as follows:

Section 1. Authorization and Recitals.

1.01. Authorization. Under the provisions of Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43, as amended (the “Act”), the City is authorized to create urban renewal areas, prepare and adopt an urban renewal plan therefor and amendments thereto, undertake urban renewal projects therein, provide for the segregation and collection of tax increment with respect to property taxes collected in such areas, issue its bonds to pay the costs of such projects and to refund bonds previously issued under the Act and pledge to the repayment of the bonds the tax increment and other revenues derived from projects undertaken within the urban renewal area.

1.02. The District and the Urban Renewal Plan. Pursuant to the Act and Ordinance No. 2967 adopted on March 20, 2007, as amended by Ordinance No. 3027 adopted on December 16, 2008 and Ordinance No. 3145 adopted on August 2, 2016 (the “Ordinance”), the City created the City of Great Falls West Bank Urban Renewal District (the “District”) as an urban renewal area and approved the West Bank Urban Renewal Plan for the District (the “Urban Renewal Plan”). The Urban Renewal Plan provides for the segregation and collection of tax increment with respect to the District. The District and the Urban Renewal Plan have been duly and validly created and adopted in accordance with the Act and are in full force and effect.

1.03. The West Bank Landing Project. Pursuant to the Act and the Ordinance, the City (i) designated and approved the West Bank Landing Project as an urban renewal project, consisting of a 12.5 acre, multi-phase, mixed-use commercial development in the District, including construction of a four story 127-room hotel and future sites for restaurants, office buildings, retail shops and residential condominiums, to be located at the West Bank Landing generally on the east side of 3rd Street NW, along and to the northeast of 4th Avenue NW (the “West Bank Landing Project”) and (ii) authorized the use of Tax Increment in an amount not to exceed \$2,642,614 to pay or reimburse West Bank LLC (the “Developer”) for the costs of certain qualified improvements associated with the West Bank Landing Project, consisting of environmental remediation, removal of existing buildings, design, engineering and relocation of overhead power and telecom utilities, and design, engineering, construction and installation and extension of water, sanitary sewer and storm sewer utilities (collectively, the “Infrastructure Improvements”).

The City and the Developer entered into a Development Agreement, dated as of August 2, 2016, as amended and supplemented by Amendment No. 1 to Development Agreement dated as of October 1, 2018, and Amendment No. 2 to Development Agreement dated as of October 15, 2019 (the “Development Agreement”), pursuant to which the City agreed to issue Bonds payable from Tax Increment in a principal amount sufficient to pay or reimburse the Developer for \$1,592,614 of costs of the Infrastructure Improvements. The Developer has represented to the City that it has satisfied all preconditions to the issuance of such Bonds as set forth in the Development Agreement.

In order to permit the issuance of such Bonds on a tax-exempt basis, the City and the Developer shall enter into Amendment No. 3 to Development Agreement, substantially in the form attached hereto as Exhibit A. The City Manager and City Clerk are hereby authorized to execute and deliver Amendment No. 3 to Development Agreement, substantially in the form presented to the Commission, with such changes as may be approved by the City Manager, in consultation with Dorsey & Whitney, LLP, as bond counsel, which approval shall be deemed made by the execution thereof. The execution of Amendment No. 3 to Development Agreement by the City and the Developer shall be a condition precedent to the issuance of such Bonds and the payment or reimbursement of the Developer for the costs of the Infrastructure Improvements.

1.04. Refunding of the Series 2009A Bonds. Pursuant to the Act and Resolution No. 9815 adopted by the Commission on October 20, 2009 (the “Original Resolution”), the City issued its \$2,000,000 Tax Increment Revenue Bonds, Series 2009A (Federal Courthouse/4th Avenue NW Project) (the “Series 2009A Bonds”), payable from Tax Increment, of which \$1,540,000 aggregate principal amount remains outstanding. Proceeds of the Series 2009A Bonds were used to undertake a survey of the historical and cultural resources in the District to assure preservation and enhancements in the redevelopment of the District; various improvements to the City’s West Bank Park including improved access, parking lot, fire protection, landscaping, and rehabilitation of facilities; the 4<sup>th</sup> Avenue NW Reconstruction Project consisting of a track crossing and rail signals, realignment and reconstruction of 4<sup>th</sup> Avenue NW, including land acquisition; improvements to the intersection with 3<sup>rd</sup> Street NW; the extension and looping of the City’s water main to connect 3<sup>rd</sup> Street NW to Central Avenue West and the Federal Courthouse; relocation of existing utilities; and cleanup as necessary of contaminated soils.

The Series 2009A Bonds with stated maturities on or after July 1, 2021 (the “Refunded Bonds”) are subject to redemption on and after July 1, 2020. For the purposes of reducing the interest cost on the Refunded Bonds, it is hereby determined that it is in the best interests of the City issue its Series 2020 Bonds (as hereinafter defined) in order to refund the Refunded Bonds.

Section 2. Authorization. Pursuant to the authorizations and findings recited in the Urban Renewal Plan and in Section 1 hereof, it is hereby determined that it is in the best interests of the City to offer for sale its Tax Increment Urban Renewal Revenue Bonds, Series 2020 (West Bank Urban Renewal District) (the “Series 2020 Bonds”), in the maximum aggregate principal amount of up to \$3,700,000, for the purpose of paying or reimbursing the Developer for the costs of the Infrastructure Improvements, refunding the Refunded Bonds, funding a deposit to a debt service reserve account for the Series 2020 Bonds, and paying costs of issuance of the Series

2020 Bonds, as determined by the officers and employees of the City identified pursuant to, and subject to the limitations set forth in, Section 4 hereof.

Section 3. Available Tax Increment. In 2012, the City issued its Tax Increment Urban Renewal Refunding Revenue Bonds, Series 2012 (West Bank Urban Renewal District) (the “Series 2012 Bonds”) in the aggregate principal amount of \$855,000. Upon the issuance of the Series 2020 Bonds, the refunding of the Series 2009A Bonds and the payment or reimbursement of the Developer for the costs of the Infrastructure Improvements, there are no other obligations of the City in respect of the Tax Increment, other than the Series 2012 Bonds and the Series 2020 Bonds. Based on Tax Increment of \$574,686 received in Fiscal Year 2019 and projected Tax Increment of \$778,818 in Fiscal Year 2020, the City estimates that the Tax Increment to be received from the District will be at least \$780,000 per year). Accordingly, the estimated Tax Increment to be received from the District is expected to be sufficient to pay the maximum aggregate annual debt service on the Series 2012 Bonds and the Series 2020 Bonds.

The maximum aggregate annual debt service on the Series 2012 Bonds and the Series 2020 Bonds, assuming with respect to the Series 2020 Bonds an average interest rate of 4.00% per annum and a term of 20 years, is \$274,436.26. Accordingly, the Tax Increment received in 2019 (\$574,686) was equal to at least 140% of the maximum Principal and Interest Requirements for any future calendar year (\$384,210.76) with respect to the Series 2012 Bonds and the Series 2020 Bonds.

The Tax Increment received by the City in Fiscal Year 2019 (\$574,686) and the Tax Increment estimated to be received in the next succeeding three Fiscal Years (\$780,000), adjusted as hereinafter provided, is estimated to be equal to at least 140% of the maximum Principal and Interest Requirements for any future calendar year with respect to the Series 2012 Bonds and the Series 2020 Bonds. In estimating the Tax Increment to be received from the District in any future Fiscal Year, the City has assumed that: (1) 90% of the Taxes levied in the District will be collected in any Fiscal Year, (2) no Taxes delinquent in a prior Fiscal Year will be collected in any subsequent Fiscal Year, and (3) there will be no increase in the Tax Increment to be received in any future Fiscal Year resulting from projected inflation in property values or projected increases in Taxes.

#### Section 4. Parameters and Terms of Sale.

4.01 This Commission hereby determines that it would be in the best interests of the City to sell the Series 2020 Bonds through a negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the “Underwriter”).

4.02. The Series 2020 Bonds shall be sold to the Underwriter on terms and at a purchase price within the following limitations and conditions: (1) the aggregate principal amount of the Series 2020 Bonds, exclusive of original issue discount or premium, shall not exceed \$3,700,000; (2) the maximum true interest cost on the Series 2020 Bonds shall not exceed 4.00%; (3) the purchase price of the Series 2020 Bonds shall not be less than 99% of the principal amount thereof, exclusive of original issue premium or discount; and (4) the final stated maturity of the Series 2020 Bonds shall not be later than 21 years from their date of issue. All costs of issuing the Series 2020 Bonds (including, without limitation, the fees and expenses of

bond counsel, the fees of the paying agent and registrar, the preliminary and the preliminary and final Official Statement costs, and the costs of printing the Series 2020 Bonds) shall be paid by the City.

The form of the Series 2020 Bonds and the final terms and conditions thereof shall be prescribed by a subsequent resolution to be adopted by this Commission.

4.03. The City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, are hereby authorized and directed to approve the principal amount, purchase price, maturity dates, interest rates and redemption provisions of the Series 2020 Bonds and compensation to the Underwriter, subject to the conditions contained in Section 4. Upon approving such terms, the City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, are hereby authorized and directed to approve, execute and deliver to the Underwriter a bond purchase agreement (the “Bond Purchase Agreement”) containing the agreement of the City to sell, and the agreement of the Underwriter to purchase, the Series 2020 Bonds on the terms so approved, and containing such other provisions as the City Manager and the Fiscal Services Director, or the Deputy City Manager in the absence or unavailability of either, shall deem necessary and appropriate. The execution and delivery of the Bond Purchase Agreement shall be conclusive as to the approval of such officers or employees of the terms of the Series 2020 Bonds and the agreement of the City to sell the Series 2020 Bonds on such terms in accordance with the provisions thereof.

Section 5. Official Statement. The City Manager and the Fiscal Services Director, in cooperation with the Underwriter, are hereby authorized and directed to prepare on behalf of the City, an Official Statement, to be distributed by the Underwriter to prospective purchasers of the Series 2020 Bonds. The Official Statement shall contain such information as shall be advisable and necessary to describe accurately the City and the security for, and the terms and conditions of, the Series 2020 Bonds. The Fiscal Services Director is authorized on behalf of the City to deem the preliminary Official Statement near “final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 6. Continuing Disclosure. To permit the Underwriter and other participating underwriters in the primary offering of the Series 2020 Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Series 2020 Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. A description of the undertaking will be set forth in the preliminary Official Statement.

Section 7. Defined Terms. Capitalized terms used in this Resolution but not otherwise defined shall have the respective meanings given such terms in the Original Resolution.

Section 8. Effective Date. This Resolution shall become effective immediately upon adoption by the City Commission.

Passed and adopted by the City Commission of the City of Great Falls, Montana, on this 18th day of February, 2020.

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Bob Kelly, Mayor

Attest:

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Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney

**EXHIBIT A**

**AMENDMENT NO. 3 TO DEVELOPMENT AGREEMENT**