

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. 10383, entitled: "RESOLUTION AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF UP TO \$6,000,000 TAX INCREMENT URBAN RENEWAL REVENUE BONDS, SERIES 2021 (DOWNTOWN 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 2, 2021 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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, 2021.

(SEAL)

City Clerk

RESOLUTION NO. 10383

RESOLUTION AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE OF UP TO \$6,000,000 TAX INCREMENT URBAN RENEWAL REVENUE BONDS, SERIES 2021 (DOWNTOWN 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 3088, adopted by the Commission on May 15, 2012, as amended by Ordinance No. 3222 adopted on October 6, 2020 (the “Ordinance”), the City created the Downtown Urban Renewal District (the “District”) as an urban renewal area and approved the Downtown Urban Renewal Plan (the “Plan”) as an urban renewal plan for the District. The Plan provides for the segregation and collection of tax increment revenues with respect to the District in accordance with the provisions of the Act.

1.03 Civic Center Project. The City proposes to undertake the design, engineering, renovation and repair of the exterior façade of the City’s Civic Center (the “2021 Project”). The 2021 Project is authorized under the Plan and constitutes an urban renewal project within the meaning of the Act. Pursuant to the Plan, the Council declared its intention to use tax increment revenue from the District (as defined in the Act, “Tax Increment”) to finance the 2021 Project.

Section 2. Authorization. Pursuant to the authorizations and findings recited in the 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 2021 (Downtown Urban Renewal District) (the “Series 2021 Bonds”), in the maximum aggregate principal amount of up to \$6,000,000, for the purpose of paying or reimbursing costs of the Infrastructure Improvements, funding a deposit to a debt service reserve account for the Series 2021 Bonds, and paying costs of issuance of the Series 2021 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. Upon the issuance of the Series 2021 Bonds, there are no other obligations of the City in respect of the Tax Increment, other than the Grant Commitments described below. Based on Tax Increment of \$1,326,973 received in Fiscal Year 2020 and Tax Increment of \$1,582,170 projected to be received in Fiscal Year 2021, the City estimates that the Tax Increment to be received from the District will be at least \$1,582,170 per year. The estimated maximum annual debt service on the Series 2021 Bonds, assuming an average interest rate of 4.50% per annum and a term of 20 years, is \$470,000. Accordingly, (i) the Tax Increment projected to be received each year is sufficient to pay the estimated maximum annual debt service on the Series 2021 Bonds and amounts due pursuant to the Grant Commitments, and (ii) the Tax Increment received in Fiscal Year 2020 and projected to be received in the next succeeding three fiscal years is estimated to be at least 140% of the estimated maximum annual debt service on the Series 2021 Bonds.

The City has agreed to make grant payments with respect to certain eligible infrastructure expenses. Such grant payments are to be made from Tax Increment and are payable on a subordinate basis to the Series 2021 Bonds (the “Grant Commitments”). Presently such Grant Commitments consist of a \$205,109 obligation for parking improvements and \$12,000 for operation of the Downtown Development Partnership.

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 2021 Bonds through a negotiated sale to D.A. Davidson & Co., of Great Falls, Montana (the “Underwriter”).

4.02. The Series 2021 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 2021 Bonds, exclusive of original issue discount or premium, shall not exceed \$6,000,000; (2) the maximum true interest cost on the Series 2021 Bonds shall not exceed 4.50%; (3) the purchase price of the Series 2021 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 2021 Bonds shall not be later than 20 years from their date of issue. All costs of issuing the Series 2021 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 2021 Bonds) shall be paid by the City.

The form of the Series 2021 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 2021 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 2021 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 2021 Bonds and the agreement of the City to sell the Series 2021 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 2021 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 2021 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 2021 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 2021 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. 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 2nd day of February, 2021.

Bob Kelly, Mayor

Attest:

Lisa Kunz, City Clerk

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney