


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Laurel, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. R20-03, entitled: "RESOLUTION CALLING A PUBLIC HEARING TO APPROVE CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS IN THE LAUREL URBAN RENEWAL DISTRICT AS AN URBAN RENEWAL PROJECT AND TO FINANCE THE PROJECT THROUGH THE ISSUANCE OF TAX INCREMENT URBAN RENEWAL BONDS; AND MAKING A REIMBURSEMENT DECLARATION IN THE EVENT THAT TAX-EXEMPT BOND PROCEEDS REIMBURSE ORIGINAL EXPENDITURES OF THE CITY" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on January 28, 2020, and that the meeting was duly held by the City Council 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Council Members voted in favor thereof: Council Member Sparks, Council Member Herr, Council Member Wilke, Council Member Nelson, Council Member Klose, Council Member Stokes, and Council Member Eaton; voted against the same: _____; abstained from voting thereon: _____; or were absent: Council Member McGee.

WITNESS my hand officially this 28th day of January, 2020.



Bethany Langve, Clerk-Treasurer

RESOLUTION NO. R20-03

RESOLUTION CALLING A PUBLIC HEARING TO APPROVE CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS IN THE LAUREL URBAN RENEWAL DISTRICT AS AN URBAN RENEWAL PROJECT AND TO FINANCE THE PROJECT THROUGH THE ISSUANCE OF TAX INCREMENT URBAN RENEWAL BONDS; AND MAKING A REIMBURSEMENT DECLARATION IN THE EVENT THAT TAX-EXEMPT BOND PROCEEDS REIMBURSE ORIGINAL EXPENDITURES OF THE CITY

BE IT RESOLVED by the City Council (the “Council”) of the City of Laurel, Montana (the “City”), as follows:

Section 1. Recitals.

1.01. 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, and apply tax increment revenues derived from projects undertaken within the urban renewal area to pay eligible costs.

1.02. Pursuant to the Act and Ordinance No. 007-11, adopted by the Council on November 20, 2007, as amended by Ordinance Nos. 008-09, 09-04 and 012-01, adopted by the Council on October 21, 2008, April 21, 2009 and March 6, 2012 (collectively, the “Ordinance”), the City has created the Laurel Urban Renewal District (the “District”) as an urban renewal district and has approved the Laurel Urban Renewal Plan (the “Plan”) as an urban renewal plan in accordance with the Act, which Plan provides for the segregation and collection of tax increment revenues with respect to the District.

1.03. In addition, by the Ordinance the City created the Laurel Urban Renewal Agency (the “Agency”). The Agency exercises urban renewal powers assigned by resolution of the Council from time to time, and acts in an advisory capacity.

1.04. As set forth in the Plan, tax increment financing is to be used to further the goals and objectives in the Plan, which include improving the pedestrian environment by adding well-designed streetscape and sidewalks and having state of the art, updated utilities and infrastructure.

Section 2. The Project.

2.01. The Council is pursuing the design, engineering and construction of various public infrastructure improvements within the District, generally consisting of reconstruction of Washington, Idaho and Ohio Avenues, East First and East Fourth Streets, generally bound by Wyoming and Alder Avenues, Main and East Fourth Streets, including sidewalks, curb and gutter, pedestrian ramps, driveway approaches and new asphalt pavement; replacement of

existing water mains, including valves, fittings, fire hydrants and other appurtenances; replacement of existing sanitary sewer main; installation of a new storm drain system, including inlets, manholes and appurtenances; and related improvements (such public infrastructure improvements, collectively, the “Project”).

2.02. The engineering, design and construction of the Project is expected to cost approximately \$4,658,000. If, following the public hearing called for herein, the Project is approved as an urban renewal project under the Act and the Plan, the Council intends to issue its tax increment revenue bonds (the “Bonds”), payable from tax increment revenues of the District, to finance all or a portion of the costs of the Project and, if necessary or desirable, costs of issuance of the Bonds and associated costs of the financing.

Section 3. Preliminary Findings. The Council hereby finds, as a preliminary matter, with respect to the Project as follows:

- a. no persons will be displaced from their housing by the Project;
- b. the Plan and the Project conform to the Laurel Growth Plan or parts thereof for the City as a whole;
- c. the Plan and the Project will afford maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment of the District by private enterprise;
- d. there is expected to be a sound and adequate financial program for the financing of the Project; and
- e. the Project constitutes an urban renewal project within the meaning of the Act and the Plan.

Section 4. Public Hearing; Notice. A public hearing is hereby called and shall be held on February 11, 2020 at 6:30 p.m., in Council Chambers, at 115 West First Street, in Laurel, Montana, on the approval of the Project and the City’s proposed issuance of the Bonds. Notice of the public hearing shall be published in the *Yellowstone County News* on January 31, 2020 and February 7, 2020, in substantially the form attached as Exhibit A hereto (which is incorporated by reference and made a part hereof).

Section 5. Reimbursement Expenditures.

5.01. Regulations. The United States Department of Treasury has promulgated regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for project expenditures paid by the City prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) after the later of

(i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

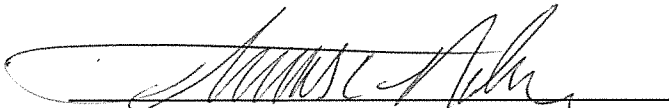
5.02. Prior Expenditures. Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Project have been paid by the City before the date 60 days before the date of adoption of this Resolution.

5.03. Declaration of Intent. The City reasonably expects to reimburse the expenditures made for costs of the Project out of the proceeds of Bonds in an estimated maximum aggregate principal amount of \$4,800,000 after the date of payment of all or a portion of the costs of the Project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

5.04. Budgetary Matters. As of the date hereof, there are no City funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds. The statement of intent contained in this Resolution, therefore, is determined to be consistent with the City’s budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

5.05. Reimbursement Allocations. The City Clerk-Treasurer shall be responsible for making the “reimbursement allocations” described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make prior payment of the costs of the Project. Each allocation shall be evidenced by an entry on the official books and records of the City maintained for the Bonds or the Project and shall specifically identify the actual original expenditure being reimbursed.

ADOPTED by the City Council of the City of Laurel, Montana, this 28th day of January, 2020.


Thomas C Nelson, Mayor

Attest:


Bethany Langve, Clerk-Treasurer

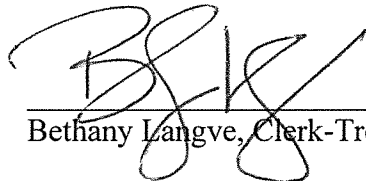
EXHIBIT A

NOTICE OF PUBLIC HEARING TO APPROVE CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS IN THE LAUREL URBAN RENEWAL DISTRICT AS AN URBAN RENEWAL PROJECT AND TO FINANCE THE PROJECT THROUGH THE ISSUANCE OF TAX INCREMENT REVENUE BONDS

NOTICE IS HEREBY GIVEN that the City Council (the “Council”) of the City of Laurel, Montana (the “City”) will hold a public hearing on February 11, 2020 at 6:30 p.m., in Council Chambers, at 115 West First Street, in Laurel, Montana, on the approval of the following project in the Laurel Urban Renewal District as an urban renewal project: the design, engineering and construction of various public infrastructure improvements within the District, generally consisting of reconstruction of Washington, Idaho and Ohio Avenues, East First and East Fourth Streets, generally bound by Wyoming and Alder Avenues, Main and East Fourth Streets, including sidewalks, curb and gutter, pedestrian ramps, driveway approaches and new asphalt pavement; replacement of existing water mains, including valves, fittings, fire hydrants and other appurtenances; replacement of existing sanitary sewer main; installation of a new storm drain system, including inlets, manholes and appurtenances; and related improvements (such public infrastructure improvements, collectively, the “Project”). The Project is expected to cost approximately \$4,658,000. It is proposed that the City will issue and sell its urban renewal tax increment revenue bonds to finance all or a portion of the costs of the Project and, if necessary or desirable, to pay costs of issuance of the bonds and associated costs of the financing.

Any interested persons may appear and will be heard or may file written comments with the City Clerk-Treasurer prior to such hearing.

DATED this 28th day of January, 2020.



Bethany Langve, Clerk-Treasurer

Publication Dates: January 31, 2020
 February 7, 2020