

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Missoula, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. 8345 entitled: **"Resolution Approving a Proposed Project as an Urban Renewal Project for Urban Renewal District III; Making Findings with Respect Thereto; Approving the Use of Tax Increment Revenues or Tax Increment Revenue Bonds to Pay, Reimburse or Finance Eligible Costs Thereof; and Making a Reimbursement Declaration"** (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 on June 10, 2019, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: 9 ayes, Stacie M. Anderson, Mirtha Becerra, Michelle Cares, John DiBari, Heather Harp, Jordan Hess, Gwen Jones, Bryan von Lossberg, Heidi West; 0 nays; 0 abstentions; and 3 absent, Julie Armstrong, Julie Merritt, Jesse L. Ramos

WITNESS my hand and seal officially this 10th day of June, 2019.

(SEAL)

/s/ Martha L. Rehbein

Martha L. Rehbein
City Clerk

RESOLUTION NO. 8345

Resolution Approving a Proposed Project as an Urban Renewal Project for Urban Renewal District III; Making Findings with Respect Thereto; Approving the Use of Tax Increment Revenues or Tax Increment Revenue Bonds to Pay, Reimburse or Finance Eligible Costs Thereof; and Making a Reimbursement Declaration

BE IT RESOLVED by the City Council (the "Council") of the City of Missoula, Montana (the "City"), as follows:

Section 1. Recitals and Authorizations.

1.01. Under 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. Pursuant to the Act and Ordinance No. 3163 adopted by the Council on December 11, 2000, as amended by Ordinance Nos. 3309 and 3557, adopted on December 12, 2005 and November 9, 2015, respectively, the City has created the City of Missoula Urban Renewal District III as an urban renewal area (the "District") and has approved the City of Missoula Urban Renewal District III Urban Renewal Plan (the "Urban Renewal Plan"), as an urban renewal plan. 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. Pursuant to Section 7-15-4288 of the Act, "the connection of the urban renewal area . . . to existing infrastructure outside the area" is a cost for which tax increment financing can be used. The Plan provides that encouraging park development and development of public amenities (including parks and trails) are goals for the District, and specifically authorizes, as urban renewal projects, the construction of various public improvements in the District, including but not limited to parks, trails, plazas and playgrounds.

1.04. The Missoula County Fairgrounds (the "Fairgrounds"), which is owned and operated by Missoula County (the "County"), is located outside of the District, but the north and west boundaries of the Fairgrounds border on the District. The County proposes to undertake the design, engineering and construction of a commuter trail system on and across the Fairgrounds (the "Project"). The Project will connect the District to existing trail, recreational and school infrastructure outside the District, as well as connecting parts of the District to other parts of the District on the north and west sides of the Fairgrounds at the intersection of Russell Street and Fairview Avenue, as well as the intersection of Stephens Avenue and South Avenue.

1.05. The Missoula Redevelopment Agency (the "MRA") has found that the Project is contemplated by the Plan and that the Project is an eligible activity for tax increment financing under Section 7-15-4288 of the Act. Therefore, the MRA recommends that the City approve the

Project as an urban renewal project and that the City finance or reimburse the County for costs of the Project using tax increment of the District.

Section 2. Approval of the Project as an Urban Renewal Project. The Council hereby approves the Project as an urban renewal project under the Act and the Plan. The Project is contemplated by and within the scope of the Plan and is eligible for tax increment financing under the Act.

Section 3. Findings. The Council hereby finds as follows:

- (a) no persons will be displaced from their housing by the Project;
- (b) the Plan and the Project conform to the City's growth policy;
- (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 in the District by private enterprise; and
- (d) taking into account the use of tax increment revenues or the proceeds of tax increment revenue bonds to pay or reimburse the County for costs of the Project, 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. Development Agreement; Use of Tax Increment.

4.01. The City and the MRA will enter into a Development Agreement with the County, a copy of which has been presented to the Council and which is hereby approved (the "Development Agreement"). The Development Agreement is hereby approved in substantially the form attached. The Mayor and the City Clerk and the Chair (or Vice Chair) of the MRA are hereby authorized to execute and deliver the Development Agreement, substantially in the form presented to the Council, with such changes (including to the exhibits attached thereto) as may be approved by the Chair of the MRA, or his or her designee, in consultation with Dorsey & Whitney, LLP, as bond counsel, which approval shall be conclusively determined by the execution thereof.

4.02. The Council hereby approves the use of tax increment revenues or proceeds of tax increment bonds to pay or reimburse the County for costs of the Project, subject to the terms and conditions of the Development Agreement. No further Council action shall be required if the City's obligations under the Development Agreement are to be paid or satisfied with tax increment revenues then on hand and available therefor. If the City's obligations under the Development Agreement are to be financed with proceeds of tax increment revenue bonds, the forms of such bonds and the terms and conditions thereof shall be prescribed by a subsequent resolution or resolutions to be adopted by this Council.

Section 5. Reimbursement Expenditures.

5.01. Regulations. The City may issue tax-exempt bonds in one or more series (the "Bonds") to finance costs of the Project and pay costs associated with the financing. 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 that it may reimburse the expenditures made for the Project out of the proceeds of Bonds in an estimated maximum aggregate principal amount of approximately \$1,250,000 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's Finance Director 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.

PASSED AND APPROVED by the City Council of the City of Missoula, Montana, this
10th day of June, 2019.

/s/ John Engen

John Engen
Mayor

Attest: /s/ Martha L. Rehbein

Martha L. Rehbein
City Clerk

(S E A L)