

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. _____, entitled: "RESOLUTION RELATING TO TAX INCREMENT URBAN RENEWAL REVENUE AND REFUNDING BONDS (EXPANDED NORTH 27TH STREET URBAN RENEWAL AREA), SERIES 2024; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF" (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 regular meeting on April 8, 2024, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: _____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this ____ day of April, 2024.

(SEAL)

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO TAX INCREMENT URBAN
RENEWAL REVENUE AND REFUNDING BONDS (EXPANDED
NORTH 27TH STREET URBAN RENEWAL AREA), SERIES 2024;
AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED
SALE THEREOF

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

Section 1. Recitals; Prior City Actions.

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, 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. 05-5333, adopted by the Council on July 11, 2005, as amended and supplemented by Ordinance Nos. 06-5394, 08-5483 and 11-5539 adopted on November 13, 2006, December 8, 2008 and July 11, 2011, respectively (as so amended and supplemented, the “Ordinance”), the Council created the Expanded North 27th Street Urban Renewal Area (the “District”) and approved the Expanded North 27th Street Urban Renewal Plan (the “Plan”). The Plan provides for the segregation and collection of tax increment with respect to the District. The District and the Plan have been duly and validly created and adopted in accordance with the Act and are in full force and effect.

1.03. Pursuant to the Act and Resolution No. 13-19253 adopted by the Council on March 25, 2013 (the “Original Resolution”), the City issued its \$7,885,000 Tax Increment Urban Renewal Revenue Bonds (Expanded North 27th Street Urban Renewal Area), Series 2013A (the “Series 2013A Bonds”), payable from tax increment, of which \$7,885,000 aggregate principal amount remains outstanding. Proceeds of the Series 2013A Bonds were used to finance a portion of the costs of the acquisition, design and construction of the Empire Parking Garage, to fund a deposit to the debt service reserve account and to pay costs of issuance of the Series 2013A Bonds.

The outstanding Series 2013A Bonds (the “Refunded Bonds”) are subject to redemption on and after January 1, 2023 at the option of the City. For the purposes of reducing the interest cost on the Refunded Bonds, it is proposed that the City issue its Tax Increment Urban Renewal Revenue and Refunding Bonds (Expanded North 27th Street Urban Renewal Area), Series 2024 (the “Refunding Bonds”), to refund the Refunded Bonds, fund a deposit to the debt service reserve account or pay a surety for a debt service reserve surety bond and pay costs of issuance and of the refunding.

1.04. Pursuant to Resolution No. 24-11178, adopted by the Council on January 22, 2024, the Council previously determined to undertake the design, engineering and construction of one-way to two-way street conversions and a pedestrian walking bridge in the District (the “2024 Project”). In addition, subject to certain parameters set forth in Resolution No. 24-11178, the Council declared its intention to issue tax increment revenue bonds (the “New Money Bonds”) to pay costs of the 2024 Project, fund a deposit to the debt service reserve account and pay costs of issuance. The New Money Bonds and Refunding Bonds are expected to be issued substantially simultaneously and may be combined into a single series of bonds, in which case “New Money Bonds” refers to the new money portion and “Refunding Bonds” refers to the refunding portion. For the avoidance of doubt, the parameters set forth in Resolution No. 24-11178 apply to the New Money Bonds and the parameters set forth in Section 4 hereof apply to the Refunding Bonds.

Section 2. Authorizations. 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 the Refunding Bonds for the purpose of refunding the Refunded Bonds, funding a deposit to a debt service reserve account or paying a surety for a debt service reserve surety bond, and paying costs of issuance and of the refunding, as determined by the officers of the City identified pursuant to, and subject to the limitations set forth in, Section 4 hereof.

Section 3. Adequacy of Tax Increment. In addition to the Series 2013A Bonds, the City has previously issued its Tax Increment Urban Renewal Revenue Bonds (Expanded North 27th Street Urban Renewal Area) (Taxable), Series 2013B (the “Series 2013B Bonds”), which are currently outstanding in the aggregate principal amount of \$2,075,000, and its Tax Increment Urban Renewal Revenue Bonds (Expanded North 27th Street Urban Renewal Area), Series 2020 (the “Series 2020 Bonds”), which are currently outstanding in the aggregate principal amount of \$1,975,000. Upon the issuance of the New Money Bonds and the Refunding Bonds, there are no other obligations of the City in respect of the Tax Increment, other than the Series 2013B Bonds, the Series 2020 Bonds and the Subordinate Obligations described below.

The maximum aggregate annual debt service on the Series 2013B Bonds, the Series 2020 Bonds, the New Money Bonds and the Refunding Bonds, assuming with respect to the New Money Bonds an average interest rate of 6.50% per annum and a final maturity of July 1, 2044 and assuming with respect to the Refunding Bonds an average interest rate of 4.50% and a final maturity of July 1, 2038, is \$1,665,469. Based on Tax Increment of \$2,963,563 received by the City in fiscal year 2023, the City estimates that the Tax Increment to be received by the City each fiscal year will be at least \$2,963,563 per year. Accordingly, the estimated Tax Increment to be received by the City in each fiscal year is expected to be sufficient to pay the maximum aggregate annual debt service on the Series 2013B Bonds, the Series 2020 Bonds, the New Money Bonds and the Refunding Bonds and amounts due pursuant to the Subordinate Obligations, and the Tax Increment received by the City in fiscal year 2023 (\$2,963,563) was equal to at least 130% of the estimated maximum aggregate annual debt service for any future calendar year (\$2,165,110) with respect to the Series 2013B Bonds, the Series 2020 Bonds, the New Money Bonds and the Refunding Bonds.

In addition, the Tax Increment received by the City in fiscal year 2023 (\$2,963,563) and the Tax Increment estimated to be received by the City in the next succeeding three fiscal years (\$2,963,563) (adjusted as provided in the Original Resolution) is estimated to be equal to at least 140% of the maximum aggregate annual debt service for any future calendar year (\$2,331,657) with respect to the Series 2013B Bonds, the Series 2020 Bonds, the New Money Bonds and the Refunding Bonds.

Pursuant to certain development agreements entered into (or to be entered into) between the City and various developers, the City has agreed to make grant payments to such developers with respect to certain eligible infrastructure expenses, subject to the satisfaction of certain conditions precedent, in the amounts reflected in such agreements. Such grant payments are to be made from Tax Increment and are payable on a subordinate basis to the Series 2013B Bonds, the Series 2020 Bonds, the New Money Bonds and the Refunding Bonds (the “Subordinate Obligations”). Schedule 1 attached hereto reflects such Subordinate Obligations and the estimated timing for payment thereof.

Section 4. Negotiated Sale and Terms.

4.01. This Council hereby determines that it would be in the best interests of the City to sell the Refunding Bonds through a private negotiated sale. The City Finance Director has selected Stifel Public Finance as purchaser for the Refunding Bonds and the New Money Bonds (the “Purchaser”), subject to Section 4.02 hereof, and selection of the Purchaser is hereby ratified and confirmed. Pursuant to Resolution No. 24-11178, the City provided parameters for the sale of the New Money Bonds, which parameters are hereby ratified and confirmed. This resolution provides parameters for the sale of the Refunding Bonds.

4.02. The Refunding Bonds shall be sold to the Purchaser on terms and at a purchase price within the following limitations and conditions: (1) the maximum aggregate principal amount of the Refunding Bonds, exclusive of original issue discount or premium, shall not exceed \$8,500,000; (2) the maximum true interest cost on the Refunding Bonds shall not exceed 4.50%; (3) the underwriter’s discount shall not exceed 1.30% of the principal amount of the Refunding Bonds, exclusive of original issue premium or discount; and (4) the final stated maturity of the Refunding Bonds shall not be later than July 1, 2038.

The Refunding Bonds will be payable from Tax Increment on a parity basis with the Series 2013B Bonds, the Series 2020 Bonds and the New Money Bonds and prior to the Subordinate Obligations described Section 3 hereof. All costs of issuing the Refunding Bonds (including, without limitation, the fees and expenses of bond counsel, the fees of the paying agent and registrar, the preliminary and final Official Statement costs, municipal bond insurance premiums, if any, and the costs of printing the Refunding Bonds) shall be paid by the City.

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

4.03. The City Administrator and the City Finance Director, in consultation with Baker Tilly Municipal Advisors, LLC, the City’s municipal advisor (“Baker Tilly”), are hereby

authorized and directed to approve the principal amount, maturity dates, interest rates and redemption provisions of the Refunding Bonds, the use of municipal bond insurance and/or a debt service reserve surety bond, if advisable, and compensation to the Purchaser, subject to the limitations contained in this Section 4.

Upon approving such terms, the City Administrator and the City Finance Director are hereby authorized to approve, execute and deliver to the Purchaser a bond purchase agreement (the “Bond Purchase Agreement”), containing the agreement of the City to sell, and the agreement of the Purchaser to purchase, the Refunding Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. The City Administrator and City Finance Director are further authorized and directed to execute such other agreements as may be necessary or desirable to consummate the sale of the New Money Bonds and the Refunding Bonds. In the event of the absence or disability of the City Finance Director and/or City Administrator, the Mayor and/or the Assistant City Administrator shall make such approvals and execute and deliver the Bond Purchase Agreement and any additional agreements that may be necessary or desirable to consummate the sale of the New Money Bonds and the Refunding Bonds. The execution and delivery by appropriate officers of the City of the Bond Purchase Agreement and any related agreements shall be conclusive as to the approval of such officers of the terms of the New Money Bonds and the Refunding Bonds and the agreement of the City to sell the New Money Bonds and the Refunding Bonds on such terms in accordance with the provisions thereof.

Section 5. Official Statement. The City Finance Director, in consultation with Baker Tilly, the Purchaser and Dorsey & Whitney LLP, the City’s bond counsel, is authorized to prepare on behalf of the City a Preliminary Official Statement and an Official Statement, to be distributed by the Purchaser to prospective purchasers of the Refunding Bonds. The Preliminary Official Statement and 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 Refunding Bonds. The City Administrator and the City Finance Director are authorized on behalf of the Council 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 Purchaser and other participating underwriters in the primary offering of the Refunding 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 City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Refunding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 8th day of April, 2024.

Mayor

Attest: _____
City Clerk

SCHEDULE 1

Subordinate Obligations
Estimated Payment Dates

Name	FY24	FY25	FY26	FY27	FY28
Arthouse Cinema Phase II	\$ 350,000				
Alberta Bair Theater	250,000				
Burger Dive		\$ 233,186	\$ 233,186		
Stone Building	221,922	221,922	221,922		
Kibler & Kirch PO 23-000881	79,940				
MJShanks LLC PO 24-000425	110,200				
Skypoint Project PO 22-000032	260,000				
Montana Rescue Mission		210,000	210,000		
Old Town Flats		384,553	384,553	\$384,553	\$384,553
Lincoln Apartments PO 24-000224	50,000	50,000	50,000	50,000	50,000
Old Billings Hardware		149,000	149,000	149,000	149,000
Rockman Project			1,000,000	1,000,000	1,000,000