

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 a Resolution entitled: "RESOLUTION OF INTENTION TO ADOPT AN ORDINANCE APPROVING DOWNTOWN RETAIL RETENTION AND RECRUITMENT ("R & R") AS AN URBAN RENEWAL PROJECT ("PROJECT") AND PART OF THE URBAN RENEWAL PLAN OF THE EXPANDED NORTH 27TH STREET URBAN RENEWAL AREA - 2008 (the "DISTRICT"); AUTHORIZING APPROVED PROGRAMS IMPLEMENTING THE PROJECT FOR FUNDING USING TAX INCREMENT REVENUES OF THE DISTRICT; AND CALLING A PUBLIC HEARING THEREON" (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 October 22, 2012, 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call and notice of such meeting given as by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Cromley, Ronquillo, Pitman, Cimmino, McFadden, Bird, McCall, Ulledalen, Astle, and Crouch ; voted against the same: none ; abstained from voting thereon: none ; or were absent: none .

WITNESS my hand and seal officially this 22nd day of October, 2012.

(SEAL)



Cari Martin
Cari Martin, City Clerk

RESOLUTION NO. 12-19230

RESOLUTION OF INTENTION TO ADOPT AN ORDINANCE APPROVING DOWNTOWN RETAIL RETENTION AND RECRUITMENT ("R & R") AS AN URBAN RENEWAL PROJECT ("PROJECT") AS PART OF THE URBAN RENEWAL PLAN OF THE EXPANDED NORTH 27TH STREET URBAN RENEWAL AREA - 2008 (THE "DISTRICT"); AUTHORIZING APPROVED PROGRAMS; IMPLEMENTING THE PROJECT FOR FUNDING USING TAX INCREMENT REVENUES OF THE DISTRICT; AND CALLING A PUBLIC HEARING THEREON

Section 1. Recitals and Authorization.

1.01 Pursuant to the provisions of Montana Code Annotated, Title 7, Chapter 15, Parts 42 and 43 (the "Act") and Ordinance No. 05-5333 adopted on July 11, 2005, the Council created the North 27th Street District Urban Renewal Area as an urban renewal district, and approved the North 27th Street Urban Renewal Plan (the "North 27th Street Plan") for the District (as hereinafter defined) containing a tax increment financing provision all as set forth in Ordinance No. 05-5333. The Council adopted Ordinance Nos. 06-5394 and 08-5483 on November 13, 2006 and December 8, 2008, respectively, which expanded the boundaries of the District and amended the North 27th Street Plan to create the Expanded North 27th Street Urban Renewal Area – 2008 (the "District").

1.02. In adopting the North 27th Street Plan and the expansion of the North 27th Street Urban Renewal Area, With Tax Increment, and Amendment to the Urban Renewal Plan (the "Plan"), the City, in Section 2, subsection I, Business Programs and Projects, noted the need for Business Retention and Business Recruitment, as a way of encouraging private investment, and development and redevelopment in the District. Further, in Section 3 – Summary of Blight Findings, the City noted the need to fill vacant spaces due the blighting effect of under-utilized properties.

1.03. The Downtown Billings Partnership has proposed that the City annually review and approve projects and/or programs that will directly impact street level occupancy and blight elimination within the Urban Renewal Area pursuant to Montana Code Annotated (MCA), Section 7-15-4208, MCA 7-15-4233 and MCA 7-15-4209.

1.04. It is necessary and desirable that the Council conduct a public hearing on the Downtown Retail Retention and Recruitment project ("R & R") as part the existing Urban Renewal Plan and designate this project as an urban renewal project and take certain other actions with respect to the Project.

Section 2. Proposed Urban Renewal R & R Program.

2.01. Downtown Billings R & R Business Plan Program (the "Program"). The Program may be managed and implemented by the Downtown Billings Alliance (the Alliance), which is comprised of the Downtown Billings Association, Inc., the Downtown Billings Partnership, Inc.,

and the Downtown Billings Business Improvement District, Inc. In collaboration, the Alliance may partner with Montana State University Billings and Big Sky Economic Development.

2.02. The Program is aimed at serving as a catalyst to encourage entrepreneurs to submit retail business concepts for consideration and review that demonstrate a feasible opportunity to open or expand a storefront within the District in order to address and remediate underperforming or blighted areas of the district and in order to perpetuate sound growth of the district.

2.03. The Program shall employ the following Urban Renewal R & R Project Goals:

- Assist with the opening of, at least one new, and one expanded business in the District
- Attract multiple new retail businesses and strengthen already established businesses.
- Retail businesses may also include restaurant/food and/or eateries.
- Showcase opportunities and collaborations.
- Fill vacant retail spaces with new businesses that complement the existing mix and highlight the potential for businesses to stand out.

2.04. The Program may use allocated tax increment funding to subsidize selected businesses for the first year of a minimum of a 3 year lease. The subsidy shall exclude common area maintenance expenses, utilities, operations, fees and taxes.

2.05 The Program may be repeated annually as long as TIF funds are available to and approved by the Governing Body (the "Council") as part of the City of Billings Fund 203 (the "TIFD Funding") as approved annually by Council.

Section 3. Findings.

3.01. Findings with Respect to R & R Projects. Based on the forgoing representations and subject to the public hearing called for herein, the Council hereby finds, with respect to the Program described in Section 2 hereof, as follows:

- (a) R & R Program, the Urban Renewal Plan, and the Urban Renewal Project conform to the comprehensive plan and growth policy of the City;
- (b) R & R Program, the Urban Renewal Plan, and the Urban Renewal 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;
- (c) R & R constitutes an urban renewal project within the meaning of the Act and the Plan and is therefore eligible for financing from the tax increment of the District.

(d) The Program complies with the goals of the R & R Urban Renewal Project and the Plan and is therefore eligible for financing from the tax increment of the District.

3.02. 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 Program. 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.

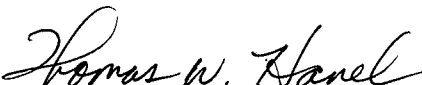
Section 4. Public Hearing. A public hearing is hereby called and shall be held on Tuesday, November 13, 2012 at 6:30 p.m. in the Council chambers on the Project.

Section 5. Notice. Notice of the public hearing shall be published in the *Billings Times* on October 25 and November 1, 2012, in substantially the form attached as Exhibit A hereto (which is incorporated by reference and made a part hereof).

Section 6. Reading of Ordinance. The first reading of the Ordinance substantially in the form attached as Exhibit B hereto (the "Ordinance") shall occur at the public hearing called for herein. The second reading of the Ordinance shall occur at the Council's regular meeting on Monday, November 26, 2012, and it is the Council's intention that the Ordinance will be voted upon at the conclusion of such meeting.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 22nd day of October, 2012.

CITY OF BILLINGS



Thomas W. Hanel, Mayor

Attest: Cari Martin
Cari Martin, City Clerk

(SEAL)



EXHIBIT A

NOTICE OF PUBLIC HEARING ON NORTH 27TH STREET URBAN RENEWAL PLAN TO APPROVE DOWNTOWN RETAIL RETENTION AND RECRUITMENT AS AN URBAN RENEWAL PROJECT (“PROJECT”), TO APPROVE THE DOWNTOWN BILLINGS R & R BUSINESS PLAN PROGRAM (“PROGRAM”) AS A QUALIFIED R & R PROGRAM IMPLEMENTING THE PROJECT, AND TO APPROVE THE FINANCING OF THE PROJECT AND THE PROGRAM AS AN URBAN RENEWAL PROJECT USING TAX INCREMENT REVENUES OF THE DISTRICT.

NOTICE IS HEREBY GIVEN that the City Council (the “Council”) of the City of Billings, Montana (the “City”), will hold a public hearing regarding approval of a development project (THE DOWNTOWN RETAIL RETENTION AND RECRUITMENT PROJECT) as an urban renewal project in the Expanded North 27th Street Urban Renewal Area – 2008 (the “District”), the financing of certain public projects as well as approved Programs with tax increment revenues on Monday, _____, 2012 at 6:30 p.m. in the City Council Chambers in Billings, Montana.

In adopting the North 27th Street Plan and the Expansion Of The Billings, Montana North 27th Street Urban Renewal Area, With Tax Increment, and Amendment To The Urban Renewal Plan (the “Plan”), the City, in Section 2, I Business Programs and Projects, noted the need for Business Retention and Business Recruitment, as a way of encouraging private investment, and development and redevelopment in the District. Further, in Section 3 – Summary of Blight Findings, the City noted the need to fill vacant spaces due the blighted condition of under-utilized properties.

The Downtown Billings Partnership has proposed that the City annually review and approve projects and programs that will directly impact street level occupancy and blight elimination within the Urban Renewal Area pursuant to Montana Code Annotated (MCA), Section 7-15-4208, MCA 7-15-4233 and MCA 7-15-4209. 7.

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

Dated: _____, 2012.

Done By Order Of The Council of
Commissioners of the City of Billings,
Montana

Publish: _____ and _____, 2012.

EXHIBIT B

ORDINANCE NO. _____

ORDINANCE APPROVING THE DOWNTOWN RETAIL RETENTION AND RECRUITMENT PROJECT (THE "PROJECT") AS AN URBAN RENEWAL PROJECT AND APPROVING THE DOWNTOWN BILLINGS R & R BUSINESS PLAN PROGRAM (THE "PROGRAM") AS A QUALIFIED PROGRAM AND PART OF THE PROJECT WITHIN THE EXPANDED NORTH 27TH STREET URBAN RENEWAL AREA (THE "DISTRICT"); APPROVING THE PROJECT AND PROGRAM FOR FUNDING USING TAX INCREMENT REVENUES OF THE DISTRICT WITHIN THE MEANING OF MONTANA CODE ANNOTATED, SECTION 7-15-4263

BE IT ORDAINED by the City Council (the "Council") of the City of Billings, Montana (the "City"), as follows:

Section 1. Recitals.

1.01. On July 11, 2005, the City Council adopted Ordinance No. 05-5333, which created the North 27th Street District Urban Renewal Area as an urban renewal district and approved the North 27 Street Urban Renewal Plan (the "North 27th Street Plan") containing a tax increment financing provision. On November 13, 2006 and December 8, 2008, the City Council adopted Ordinance Nos. 06-5394 and 08-5483, respectively, which expanded the boundaries of the North 27th Street Urban Renewal Area and amended the North 27th Street Plan to create the Expanded North 27th Street Urban Renewal Area – 2008 (the "District").

1.02. In adopting the North 27th Street Plan and the Expansion Of The Billings, Montana North 27th Street Urban Renewal Area, With Tax Increment, and Amendment To The Urban Renewal Plan (the "Plan"), the City, in Section 2, I. Business Programs and Projects, noted the need for Business Retention and Business Recruitment, as a way of encouraging private investment, and development and redevelopment in the District. Further, in Section 3 – Summary of Blight Findings, the City noted the need to fill vacant spaces due the blighted condition of under-utilized properties.

1.03. The Council on _____, 2012, conducted a public hearing on a proposal to undertake a urban renewal project in the District that will directly impact street level occupancy and blight elimination within the Urban Renewal Area pursuant to Montana Code Annotated (MCA), Section 7-15-4208, MCA 7-15-4233 and MCA 7-15-4209.

1.04. Pursuant to the Act and the procedures contained in the North 27th Street Plan, and Resolution No. [_____] , adopted _____, 2012, the City has set forth its intention to use tax increment in an amount sufficient to finance all or a portion of a certain urban renewal

project and has undertaken to designate and approve the following urban renewal project (the "Project"):

Section 2. Findings. The Council hereby finds, with respect to the Project and Program described in Section 1.04, as follows:

(a) a workable and feasible plan exists for making available adequate housing for any persons who may be displaced by the Project;

(b) the Project and Program conform to the comprehensive plan or parts thereof for the City as a whole;

(c) the Project and Program 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) the Project and Program constitute an urban renewal project within the meaning of the Act and Urban Renewal Plan.

Section 3. Approval of the Project and Financing.

3.01. The Project is hereby approved as an urban renewal project.

3.02. The Council approves the use of tax increment revenues to pay the costs of the Project.

Section 4. Effective Date. This Ordinance shall take effect from and after 30 days of its passage by the City Council and approval by the Mayor.

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PASSED AND APPROVED by the City Council of the City of Billings, Montana, on the second reading this ____ day of ____, 2012.

Mayor

Attest: _____
City Clerk

[Signature page to Ordinance]