

RESOLUTION NO. 423

RESOLUTION GIVING PRELIMINARY APPROVAL TO A PROPOSED INDUSTRIAL DEVELOPMENT PROJECT BY SPECTRUM ENTERPRISES SECTION 90-5-101 TO 90-5-113, MONTANA CODE ANNOTATED AS AMENDED.

BE IT RESOLVED by the City Council of the City of Polson, Montana, as follows:

There has been presented to this Council a proposal by Spectrum Enterprises (Spectrum) that the City undertake a project pursuant to Section 90-5-101 to 90-5-113, Montana Code Annotated, as amended ("The Act") for the acquisition and construction of a commercial building ("The Project"). Under the proposal, the project will be owned by Spectrum and it will enter into a loan agreement with the City upon such terms and conditions as are necessary to produce income and revenue sufficient to pay when due the principle of and interest on up to approximately \$950,000.00 Industrial Development Revenue Bond of the City to be issued pursuant to the act. To provide money for the renovation and expansion of the project, the City will pledge its interest in the loan agreement to the bond holders, and Spectrum will mortgage the project to secure the bonds.

As required by Section 90-5-104 of the act, this Council conducted a public hearing on January 25, 1982, on the proposal to undertake and finance the project, after publication once a week for three (3) consecutive weeks in a newspaper of general circulation of the City of Polson, a notice of the time and place of the hearing, stating the general nature of the project, and estimate of principle amount of bonds or other obligations to be issued to finance the project, the name of the borrower, the estimated cost of the project; and all parties who appeared at the public hearing were given an opportunity to express their view with respect to the proposal.

It is hereby found, determined and declared that the purpose of the project is and the affect thereof will be to promote the public welfare by the attraction, encouragement and development of economically sound industry and commerce so as to prevent, so far as possible, the emergence of blighted and marginal land and areas of chronic unemployment; the retention and development of industry and commerce to use the available resources of the community, in order to retain the benefit of their existing investor in educational and public service facilities, by halting the movement of talented and educated personnel of mature age to other areas and thus preserving the economic and human resources needed as a base for providing governmental services and facilities; and the more intensive development of land available in the area to provide a more adequate task base to finance the cost of governmental services in the city, county, and school district where the project is located.

The project, as proposed, will be suitable for a commercial and industrial enterprise within the meaning of the act and the City is authorized to loan the proceeds of the bonds to Spectrum and assign its interest in the known agreement to the bond holders.

The undertaking and approval of the project and the issuance of bonds therefore using the public interest of the City.

The project is hereby given preliminary approval by the City subject to final approval by this Council and by the purchasers of any bond to be issued and as to the ultimate details of the project.

The adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the bond as requested by Spectrum. The City retains the right in its sole discretion to withdraw from participation and accordingly not issue the bonds should the City at any time prior to the issuance thereof determine that it is in the best interest of the City to not issue the bonds or should the parties to the transaction be unable to reach an agreement as to the terms and conditions of any of the documents required for the transaction.

Spectrum, bond council, underwriter, the city attorney and other city officials are also authorized to initiate the preparation of a proposed loan agreement, mortgage and such other documents as may be necessary or appropriate to the project so that, when and if this commission gives its final approval thereto, the project may be carried forward expeditiously.

Spectrum has agreed to pay directly or through the City any and all cost incurred by the City in connection with the project whether or not the project is approved, whether or not the project is carried to completion, and whether or not the bonds are executed.

Spectrum is hereby authorized to enter into such contract, in its own name and not as agent for the City as may be necessary for the construction of the project by any means available to it and in the manner it determines without advertisement for bids as may be required for the acquisition or construction of other municipal facilities, but the City shall not be liable on any such contracts.

PASSED AND APPROVED this 25th day of January, 1982.

John Dowdall/s

John A. Dowdall, Mayor

ATTEST:

Kathy L. Cox/s

Kathy L. Cox, City Clerk