

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

**RESOLUTION CALLING A PUBLIC HEARING
RELATING TO THE ISSUANCE OF STREET
RECONSTRUCTION BONDS**

BE IT RESOLVED by the City Council (“Council”) of the City of Grand Rapids, Itasca County, Minnesota (“City”).

Section 1. Background; Findings.

1.01. The Council has found and determined that certain streets in the City are in need of reconstruction, repair and improvement.

1.02. The City is authorized by Minnesota Statutes, Section 475.58, subdivision 3b (the “Act”), to prepare a plan for reconstruction or overlay of streets in the City over the next five years, including a description of the affected streets and estimated costs (the “Plan”), and to issue general obligation bonds to finance the cost of street reconstruction activities described in the Plan.

1.03. Pursuant to the Act, the City is required to hold a public hearing regarding the Plan and issuance of the bonds thereunder.

1.04. The City now finds that it is necessary to prepare a Plan setting forth proposed street reconstruction projects in the City for the years 2025-2029, and to provide for the issuance of general obligation bonds to finance a portion of the costs of the street reconstruction projects described in the Plan (the “Costs”) in an amount not to exceed \$4,000,000 (the “Bonds”), and further finds and determines that it is in the best financial interests of the City that the City hold a public hearing on the Plan and the issuance of Bonds as provided in the Act.

Section 2. Public Hearing Authorized.

2.01. The City hereby authorizes its staff and consultants to prepare the Plan for street reconstruction projects in the City over the five-year period in accordance with the Act, and to place a copy of the Plan on file with the City Clerk by no later than the date of publication of the hearing notice.

2.02. As required by the Act, a public hearing on the Plan and the issuance of the Bonds to finance the Costs will be conducted at City Hall on February 10, 2025, commencing at 5:00 P.M. The City Administrator is authorized and directed to cause notice of the hearing to be published in substantially the form attached hereto as Exhibit A not less than ten (10) nor more than twenty-eight (28) days prior to the date of the hearing.

Section 3. Miscellaneous.

3.01. As provided in the Act, the Bond will not be issued without the approval of a majority of the voters at a special election if within thirty (30) days after approval of the Plan and authorization of the issuance of the Bonds, a petition requesting such an election signed by a number of voters equal to five percent (5%) of the votes cast in the last previous City general election, is filed with the City Clerk.

Section 4. Declaration of Official Intent to Reimburse Expenditures.

4.01. The Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; the City expects to incur certain expenditures with respect to projects that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of tax exempt bonds.

4.02. The City has determined to make a declaration of official intent (the “Declaration”) to reimburse certain costs with respect to construction of street improvements, water utility improvements and sanitary sewer utility improvements in connection with the City’s 3rd Avenue/ 7th Street NE Project (the “Project”) from proceeds of tax-exempt bonds in an estimated principal amount of \$5,200,000 (the “Tax-Exempt Bonds”) in accordance with the Reimbursement Regulations.

4.03. All reimbursed expenditures will be capital expenditures, costs of issuance of the Tax-Exempt Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

4.04. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Tax-Exempt Bonds, except for the following expenditures: (a) costs of issuance of Tax-Exempt Bonds; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

4.05. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the Tax-Exempt Bonds described herein are consistent with the City’s budgetary and financial circumstances. No sources other than proceeds of the Tax-Exempt Bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City’s budget or financial policies to pay such expenditures.

4.06. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Adopted by the City Council of the City of Grand Rapids, Minnesota, this 27th day of January, 2025.

Mayor

Attest:

City Clerk

EXHIBIT A

**CITY OF GRAND RAPIDS
ITASCA COUNTY, MINNESOTA**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Grand Rapids, Minnesota will conduct a public hearing at the City Hall, 420 North Pokegama Avenue, Grand Rapids, Minnesota on Monday, February 10, 2025, commencing at approximately 5:00 P.M., to consider the City's Street Reconstruction Plan for the years 2025-2030 (the "Plan") and the issuance of general obligation street reconstruction bonds in an estimated aggregate principal amount not to exceed \$4,000,000 (the "Bonds"). A draft copy of the Plan is on file with the City Clerk and is available for public inspection at City Hall during regular business hours.

The Plan proposes to finance the construction of street reconstruction projects by the issuance of the Bonds under the provisions of Minnesota Statutes, Section 475.58, subdivision 3b. The Bonds will not be issued without approval of the voters at a special election if within thirty (30) days after adoption of the resolution approving the Plan and authorizing issuance of the Bonds, a petition requesting such an election is signed by a number of voters equal to five percent (5%) of the votes cast in the last previous general City election and is filed with the City Clerk.

Any person wishing to express a view about the Plan may present written or oral testimony at the public hearing.

BY ORDER OF THE CITY COUNCIL OF
THE CITY OF GRAND RAPIDS,
MINNESOTA

/s/ Tom Pagel

City Administrator

Published: January 29, 2025.