

**CITY OF NEW PRAGUE**

**RESOLUTION #25-04-07-02**

**DECLARING THE OFFICIAL INTENT OF CITY OF NEW PRAGUE TO  
REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF  
TAX-EXEMPT BONDS OR OTHER OBLIGATIONS AND ESTABLISHING  
PROCEDURES FOR ADDITIONAL DECLARATIONS OF OFFICIAL INTENT**

WHEREAS, the Internal Revenue Service has issued Treasury Regulations, Section 1.150-2, as the same may be amended or supplemented (the “Reimbursement Regulations”), that establish the requirements under which an allocation of a portion of the proceeds of tax-exempt bonds, as defined in Section 150 of the Internal Revenue Code of 1986, as amended (the “Code”), to an expenditure that is originally paid from a source other than such tax-exempt bonds will be treated as an expenditure of the proceeds of such tax-exempt bonds on the date of such allocation; and

WHEREAS, the Regulations require that (i) not later than sixty (60) days after payment of the original expenditure, the issuer of the tax-exempt bonds must adopt an official intent for the original expenditure (in any reasonable form, including issuer resolution or action by an appropriate representative of the issuer), (ii) the official intent generally describes the project for which the original expenditure is paid and states the maximum principal amount of obligations expected to be issued for the project, and (iii) on the date of the declaration of official intent, the issuer must have a reasonable expectation that it will reimburse the original expenditure with proceeds of the tax-exempt bonds; and

WHEREAS, the original expenditure must be a capital expenditure or a cost of issuance for the tax-exempt bonds, and the reimbursement allocation (except with respect to (i) costs of issuance; (ii) amounts not in excess of the lesser of \$100,000 or five percent of the proceeds of the tax-exempt bonds; and (iii) preliminary expenditures (as defined in Section 1.150-2(f)(2) of the Reimbursement Regulations) not in excess of twenty percent (20%) of the aggregate issue price of the tax-exempt bonds), must be made not later than eighteen (18) months after the later of (i) the date the original expenditure is paid, or (ii) the date the project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid; and

WHEREAS, the City of New Prague, a home rule city and municipal corporation of the State of Minnesota (the “City”), expects to incur certain expenditures with respect to the project described in EXHIBIT A to this Resolution (the “Project”) and such expenditures may be financed temporarily from sources other than tax-exempt bonds or other obligations; and

WHEREAS, the City expects to reimburse the expenditures with respect to the Project from the proceeds of tax-exempt bonds in the principal amount with respect to the Project as described in EXHIBIT A to this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL (“COUNCIL”) OF THE CITY AS FOLLOWS:

1. The City reasonably intends to make expenditures for the Project. A portion of such expenditures may be temporarily financed with cash assets of the City or from other sources. The City reasonably intends to reimburse itself for such expenditures from the proceeds of tax-exempt bonds or other obligations that are proposed to be issued by the City.

2. The Administrator of the City (the “City Official”) is hereby authorized to designate appropriate additions or changes to EXHIBIT A by a written statement supplementing this Resolution in the form attached in EXHIBIT B to this Resolution (an “Additional Declaration”), dated as of the date of such action, and any such Additional Designation shall be reported to the Council at the earliest practicable date and shall be filed with the official records of the Council. Each Additional Declaration shall comply with the following requirements: (i) each Additional Declaration shall be made not later than sixty (60) days after payment of the expenditure to be reimbursed; (ii) each Additional Declaration shall contain a reasonably accurate general description of the project with respect to which the expenditures to be reimbursed were made and shall state the maximum principal amount of obligations expected to be issued for such project; (iii) such Additional Declaration may be made only if the City reasonably expects that reimbursement bonds will be issued to reimburse such expenditures; and (iv) the City Official is authorized to consult with bond counsel with respect to the requirements of the Reimbursement Regulations and their application to the specific circumstances relating to the Additional Declaration.

4. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations and any successor law, regulation, or ruling.

5. This Resolution shall take effect immediately.

Adopted by the City Council of the City of New Prague on this 7<sup>th</sup> day of April, 2025.

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Duane J. Jirik  
Mayor

ATTEST:

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Joshua M. Tetzlaff  
City Administrator

**EXHIBIT A**  
**THE PROJECT**

| General Description of the Project   | Maximum Principal Amount of<br>Obligations to Finance Project |
|--|---|
| <p>The project includes costs related to the 2025 Street &amp; Improvement Projects:</p> <ul style="list-style-type: none"><li>• Lincoln Ave N from Main Street to 4<sup>th</sup> St NE</li><li>• Pershing Ave N from Main Street to 5<sup>th</sup> Steet NE</li><li>• First Street NE Columbus Ave N to Pershing Ave N</li><li>• Second Street NE Columbus Ave to Lyndale Ave N</li><li>• Lincoln Ave NE from 4<sup>th</sup> Street NE to 5<sup>th</sup> Street NE</li><li>• Alley north of Main Street E (TH19) between Columbus Ave N and Lincoln Ave NE</li><li>• Alley west of Lincoln Ave NE between Main Street E (TH19) and 1<sup>st</sup> Street NE</li></ul> | <p>\$5,035,000.00</p>   |

## **EXHIBIT B**

### **ADDITIONAL DECLARATION OF OFFICIAL INTENT**

The undersigned, being the duly appointed and acting Administrator (the "City Official") of the City of New Prague (the "City") hereby states and certifies on behalf of the City, for the purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Reimbursement Regulations"), as follows:

1. The City Official has been and is on the date hereof duly authorized by the City Council of the City to make and execute this Additional Declaration of Official Intent (the "Additional Declaration") for and on behalf of the City.

2. This Additional Declaration relates to the following project, property, or program (the "Project") and the costs thereof to be financed:

3. The City reasonably expects to reimburse itself for the payment of costs of the Project out of the proceeds of a bond issue or similar borrower (the "Bonds") to be issued after the date of payment of such costs. AS of the date hereof, the City reasonably expects that the maximum principal amount of the Bonds which will be issued to finance the Project is \$5,035,000.00.

4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

5. As of the date hereof, the statements and expectations contained in this Additional Declaration are believed to be reasonable and accurate.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Administrator  
City of New Prague