DECLARING THE INTENT OF THE CITY COUNCIL OF THE CITY OF FARMINGTON, NEW MEXICO, TO CONSIDER FOR ADOPTION AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF FARMINGTON, NEW MEXICO STATE SHARED GROSS RECEIPTS TAX IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $26,000,000 FOR PURPOSES OF DEFRAVING THE COSTS OF PURCHASING AND ACQUIRING FIRE PROTECTION VEHICLES AND EQUIPMENT, DESIGNING, PURCHASING, ACQUIRING AND CONSTRUCTING RECREATIONAL FACILITIES, DESIGNING, PURCHASING, ACQUIRING AND CONSTRUCTING TRAIL IMPROVEMENTS, DESIGNING AND CONSTRUCTING STREET IMPROVEMENTS, MAKING CAPITAL REPAIRS TO THE CITY'S AQUATIC CENTER, REMODELING, RENOVATING AND IMPROVING THE CIVIC CENTER; REFINANCING, PAYING, REDEEMING AND DISCHARGING THE OUTSTANDING PRINCIPAL OF, AND ACCRUED INTEREST ON THE CITY OF FARMINGTON, NEW MEXICO SALES TAX REVENUE BONDS, SERIES 2005, REFINANCING, DEFEASING, PAYING, REDEEMING AND DISCHARGING THE OUTSTANDING PRINCIPAL AMOUNTS AND ACCRUED INTEREST, AS THE SAME BECOME DUE, ON THE CITY OF FARMINGTON, NEW MEXICO SALES TAX IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2012, AND PAYING COSTS OF ISSUANCE OF THE BONDS (COLLECTIVELY, THESE DUES TO "IMPROVEMENT AND REFUNDING PROJECT"); STATING THE OFFICIAL INTENT OF THE CITY TO REIMBURSE ITSELF FOR CERTAIN COSTS RELATING TO THE IMPROVEMENTS EXPECTED TO BE INCURRED BY THE CITY PRIOR TO THE ISSUANCE OF THE BONDS; AUTHORIZING THE ENGAGEMENT OF A MUNICIPAL ADVISOR AND BOND COUNSEL IN CONNECTION THERewith; AND DIRECTING THE PUBLICATION OF A NOTICE OF MEETING, PUBLIC HEARING AND INTENT TO CONSIDER AN ORDINANCE AUTHORIZING THE BONDS IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE CITY OF FARMINGTON.

WHEREAS, Sections 3-31-1 through 3-31-12 NMSSA 1978 (the "Act"), authorize New Mexico municipalities to issue gross receipts tax revenue bonds secured by gross receipts tax revenues; and

WHEREAS, the City Council (the "Council") of the City of Farmington, New Mexico (the "City"), desires to consider for adoption an ordinance authorizing, in accordance with the Act, the issuance and sale of the City of Farmington, New Mexico State Shared Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2017 (the "Bonds") in an aggregate principal amount not to exceed $26,000,000 to provide funds for the purchase and acquisition of fire protection vehicles and equipment, design, purchase, acquisition and construction of a water park facility, the design, purchase, acquisition and construction of trail improvements, the design and construction of street improvements, capital repairs to the City's Aquatic Center, remodel, renovation and improvement of the Civic Center (collectively, the "Improvement Project"), and the refunding, paying, redeeming and discharging the City's outstanding Sales Tax Revenue Bonds, Series 2005, refunding, defeasing, paying, discharging and redeeming the City's Sales Tax Improvement and Refunding Revenue Bonds, Series 2012 (the "Refunding Project") and, and paying costs of issuance of the Bonds (collectively, the "Improvement and Refunding Project"); and

WHEREAS, the City anticipates that, prior to the issuance of the Bonds, it will incur capital expenditures in connection with certain of the improvements included in the Improvement Project, and intends to obtain reimbursement of such expenditures from proceeds of the Bonds; and

WHEREAS, Section 3-17-3 NMSSA 1978, requires that publication of the title and general summary of the subject matter of any proposed ordinance be made in a newspaper of general circulation within the City at least two weeks prior to the meeting of the Council at which the ordinance is proposed for final passage; and

WHEREAS, a form of the Notice of Meeting, Public Hearing and Intent to Adopt an Ordinance authorizing the issuance and sale of the Bonds is attached hereto as Exhibit "A"; and

WHEREAS, the Council has engage RBC Capital Markets, LLC as its municipal advisor, and Modrall, Sperling, Roehl, Harris & Sisk, P.A. as
its bond counsel, each in connection with the Improvement and Refunding Project.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMINGTON, NEW MEXICO:

Section 1. All action (not inconsistent with the provisions hereof) heretofore taken by the Council and the officers of the City directed toward the authorization, issuance and sale of the Bonds (which may be denominated Series 2017 or Series 2018) and the preparation, execution and submittal of the Application for purposes of financing the Improvement and Refunding Project, be and the same is hereby ratified, approved and confirmed, including, without limitation, the publication, in accordance with Section 3-17-3 NMSA 1978, as amended, to publish, in the Daily Times or other newspaper of general circulation within the City, a title and general summary of the ordinance relating to and authorizing issuance and sale of the Bonds at least two weeks prior to the meeting at which the Council will consider such ordinance.

Section 2. The Bonds shall be special, limited obligations to pay principal in an amount not to exceed $26,000,000 plus interest thereon.

Section 3. The City makes the following representations in connection with its intent to reimburse itself from proceeds of the Bonds (its "Official Statement of Reimbursement Intent"):

A. The City presently intends and reasonably expects to pay the following capital costs from legally available funds in connection with portions of the Improvement Project prior to the issuance of the Bonds:

(i) costs of acquiring rights of way for, purchasing, constructing, improving, repairing, and equipping the street improvement projects at a cost of approximately $500,000;

(ii) costs of replacing the roof of the Aquatic Center at a cost of approximately $500,000; and

(iii) costs of purchasing, acquiring and constructing a recreational water park facility.

B. All of the capital expenditures within the scope of this Official Statement of Reimbursement Intent were made no earlier than 60 days prior to the date of this Resolution.

C. The City presently intends and reasonably expects to participate in a tax-exempt borrowing in an amount not to exceed $26,000,000 within 13 months of the date of the expenditure of moneys on the Improvement Project or the date upon which the Improvement Project is placed in service or abandoned, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate an amount not to exceed $1,500,000 of the proceeds thereof to reimburse the City for its prior expenditures in connection with the Project.

Section 4. A Notice of Meeting, Public Hearing and Intent to Adopt An Ordinance, in substantially the form attached to this Resolution as Exhibit "A", with such revisions as may be approved by the City Manager in consultation with the City Attorney, the City's bond counsel and municipal advisor, shall be published in a newspaper of general circulation within the City at least two weeks before the meeting at which the Council takes final action on the ordinance authorizing issuance and sale of the Bonds, including, if applicable, delegation of authority to the Administrative Services Director of the City to execute and deliver a bond purchase agreement containing the final terms of the Bonds.

Section 5. RBC Capital Markets, LLC is hereby engaged as municipal advisor to the City, and Modrall, Sperling, Roehl, Harris & Sisk, P.A. is hereby engaged as bond counsel to the City, each in connection with the Improvement and Refunding Project.

(signature page follows)
PASSED AND ADOPTED this 26th day of September, 2017.

[SEAL]

ATTEST:

Dianne Smylie, City Clerk

Tommy Roberts, Mayor
EXHIBIT "A"

FORM OF NOTICE OF MEETING, PUBLIC HEARING
AND INTENT TO ADOPT BOND ORDINANCE
FOR PUBLICATION

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City of Farmington, New Mexico

Notice of Meeting, Public Hearing and Intent to Adopt Bond Ordinance

The City Council of the City of Farmington, New Mexico hereby gives notice of a regular City Council meeting for ______, 2017 at 6:00 p.m. at Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico. At such meeting the City Council will hold a public hearing concerning and will consider for adoption the Ordinance described below. Complete copies of the proposed Ordinance are available for public inspection during the normal and regular business hours of the City Clerk, Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico.

The title of the proposed Ordinance is:

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE CITY OF FARMINGTON, NEW MEXICO STATE SHARED GROSS RECEIPTS TAX IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $26,000,000 FOR THE PURPOSE OF PURCHASING AND ACQUIRING FIRE PROTECTION VEHICLES AND EQUIPMENT, DESIGNING, PURCHASING, ACQUIRING AND CONSTRUCTING A WATER PARK FACILITY, DESIGNING, ACQUIRING, PURCHASING, AND CONSTRUCTING TRAIL IMPROVEMENTS, DESIGNING AND CONSTRUCTING STREET IMPROVEMENTS, MAKING CAPITAL REPAIRS TO THE CITY’S ACQUATIC CENTER, REMODELING, RENOVATING AND IMPROVING THE CIVIC CENTER, REFUNDING, PAYING, REDEEMING AND DISCHARGING THE OUTSTANDING PRINCIPAL OF, AND ACCRUED INTEREST ON THE CITY OF FARMINGTON, NEW MEXICO SALES TAX REVENUE BONDS, SERIES 2005, REFUNDING, DEPREASING, PAYING, REDEEMING AND DISCHARGING THE OUTSTANDING PRINCIPAL AMOUNTS AND ACCRUED INTEREST, AS THE SAME BECOME DUE, ON THE CITY OF FARMINGTON, NEW MEXICO SALES TAX IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2012, AND PAYING COSTS OF ISSUANCE OF THE BONDS; PROVIDING THAT THE BONDS WILL BE PAYABLE FROM STATE SHARED GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4 NMSA 1978, PROVIDING THAT THE MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, REDEMPTION PROVISIONS AND OTHER DETAILS OF THE BONDS WILL BE ESTABLISHED IN A BOND PURCHASE AGREEMENT, AND DELEGATING AUTHORITY TO THE CITY ADMINISTRATIVE SERVICES DIRECTOR TO APPROVE THE FINAL TERMS OF THE BONDS AND TO EXECUTE AND DELIVER THE BOND PURCHASE AGREEMENT; PROVIDING FOR THE EXECUTION OF THE BONDS AND OTHER DOCUMENTS AND AGREEMENTS RELATING TO THE BONDS BY AUTHORIZED OFFICERS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THERewith; AND REPEALING ALL ORDINANCES IN CONFLICT HEREWITH.

The title sets forth a general summary of the subject matter contained in the Ordinance. This Notice constitutes compliance with Section 3-17-3 NMSA 1978.