

RESOLUTION NO. 639

A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF COLUMBUS, KANSAS, TO ISSUE ITS FEDERALLY TAXABLE INDUSTRIAL REVENUE BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$2,000,000 TO BOTH FINANCE VARIOUS IMPROVEMENTS BENEFITING CROSSLAND CONSTRUCTION COMPANY, INC., A KANSAS CORPORATION, AND PROMOTE, STIMULATE AND DEVELOP THE ECONOMIC WELFARE OF BOTH THE CITY AND THE STATE OF KANSAS.

WHEREAS, the City of Columbus, Cherokee County, Kansas, (the "City") is authorized and empowered pursuant to the provisions of K.S.A. 12-1740 to 12-1749(d), inclusive, as amended, (the "Act") to both issue its industrial revenue bonds to finance all or part of the cost of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling certain facilities including commercial, industrial, and manufacturing facilities and enter into lease agreements with any person, firm or corporation for the use and acquisition of such facilities in order to promote, stimulate and develop the economic welfare and prosperity of both the City and the State of Kansas; and

WHEREAS, Crossland Construction Company, Inc., a Kansas corporation, (the "Company") has requested that the City issue its federally taxable industrial revenue bonds in one or more separate series in the maximum principal amount of Two Million Dollars (\$2,000,000) (the "Bonds") to finance the cost of acquiring certain real property, doing sitework, and acquiring, constructing, equipping and furnishing, certain commercial, industrial, and manufacturing facilities and improvements thereon together with all other facilities, additions, improvements, and things necessary and incidental thereto to benefit the Company's concrete pre-fabricated wall panel manufacturing facilities, located generally at 833 S. East Avenue in the City (the "Project"); and

WHEREAS, the City does hereby find and determine it to be advisable and in the best interest of the City and its inhabitants that such Bonds, as and in the maximum amount so requested be authorized and issued by the City to finance the Project; and

WHEREAS, such Bonds if, as, and when issued by the City will be payable solely and only from the moneys and revenues received by the City from the fees charged and rentals received for the use of the Project and not from any other fund or source; and

WHEREAS, pending the issuance of the Bonds, the Company intends to initiate the construction, furnishing and equipping of the Project and finance, on an interim basis, such capital expenditures with its own funds which it, by its acknowledgment and acceptance hereof, intends to reimburse and permanently finance with the proceeds of the Bonds; and

WHEREAS, this resolution is intended to constitute a non-binding declaration of the official intent of the City to issue such Bonds and it is not bound or otherwise obligated to the Company to issue the Bonds if in its sole discretion it determines for whatever reason not to issue such Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF COLUMBUS, CHEROKEE COUNTY, KANSAS, AS FOLLOWS:

Section 1. That the Governing Body of the City hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare of the City and be in furtherance of the public purposes as set forth in the Act.

Section 2. That the Bonds in the maximum principal amount of \$2,000,000 be issued by the City in one or more separate series to finance the Project to be leased to the Company pursuant to and in accordance with the Act.

Section 3. That the terms of all ordinances, trust indentures, lease agreements and other documents required in the issuance of the Bonds (the "Bond Documents") shall be as agreed to by and between the City and the Company. The selection of the purchaser of the Bonds shall be the sole responsibility of the Company, subject to the approval of the City.

Section 4. That the City officials are hereby directed and authorized to proceed with the necessary negotiations relating to the Bond Documents with the Company and with the preparation of all other necessary documents relating thereto for final action by the Governing Body of the City. All terms and conditions of the Bonds and the sale thereof must be acceptable to and approved by the Governing Body of the City and the Company.

Section 5. That the City Clerk and Nichols and Wolfe Chartered, bond counsel to the City in connection with the issuance of the Bonds, are hereby authorized and directed to prepare and cause to be filed and published, where necessary, all statements and notices required by the provisions of both K.S.A. 12-1740 et seq., as amended, and other applicable law.

Section 6. That the City, in accordance with its Resolution No. 612 passed and approved July 19, 2021, expects to grant the Project improvements an exemption from certain ad valorem taxation in accordance with the provisions of K.S.A. 79-201a, as amended, and accordingly, the City Clerk has, in accordance with the provisions of K.S.A. 12-1749c, notified in writing the governing board of the unified school district within which the property proposed for exemption is located. The City will also cooperate with and assist the Company in connection with the preparation and filing of any sales tax exemption certificate requests or refunds Company may lawfully request in connection with the Project.

Section 7. That the City will not be liable or otherwise responsible for the payment of any costs, bond counsel fees, other fees, or expenses incurred by or in connection with the issuance of the Bonds.

Section 8. That the issuance of the Bonds by the City shall, in addition to all other requirements of the City, be subject to any limitations imposed upon the City by either federal or Kansas law, including any regulations, rulings or executive orders which might appertain thereto.

Section 9. That as previously indicated, the City intends to reimburse the Company from the proceeds of the Bonds for those capital expenditures made by the Company from its own funds in connection with the Project prior to the issuance of the Bonds. Should the Bonds be deemed, when issued, as obligations the interest on which is exempt from federal income

taxation, any such expenditure for which reimbursement is sought from the proceeds of such Bonds must (1) be a “capital expenditure” under general federal income tax principals; (2) be an expenditure made by the Company or related party on a date not later than sixty (60) days prior to the date this resolution was adopted and approved by the City; and (3) the reimbursement allocation must occur not later than eighteen (18) months after the later of: (i) the date on which the original expenditure is paid, or (ii) the date on which the property is placed in service or abandoned (but the reimbursement allocation can not be more than three (3) years after the date on which the original expenditure is paid).

Section 10. That this Resolution will be available for public inspection during regular business hours of the City at City Hall and shall be of force and effect from and after its adoption and approval.

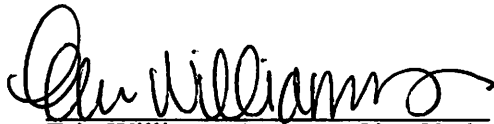
Section 11. That this Resolution shall be of force and effect immediately upon its adoption and approval.

ADOPTED AND APPROVED THIS 21st day of February, 2023.

CITY OF COLUMBUS, KANSAS


Grant Spieth, Mayor

ATTEST:


Erin Williams, Assistant City Clerk




ACKNOWLEDGEMENT AND ACCEPTANCE

The provisions of this resolution are hereby acknowledged and accepted as the declaration of the official intent of Crossland Construction Company, Inc., a Kansas corporation.

Dated this 22 day of February, 2023.

CROSSLAND CONSTRUCTION COMPANY, INC.,
a Kansas corporation

By 
Ivan Crossland Jr , CEO
Name Title