



Legislation Text

File #: RES 22-1268, **Version:** 1

Declaring the official intent of the City to reimburse certain original expenditures related to the capital projects from the proceeds of tax-exempt bonds to be issued by the City after the payment of such original expenditures.

WHEREAS, U.S. Treasury Regulations, Section 1.150-2 (the "Reimbursement Regulations"), promulgated pursuant to Section 150 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the allocation of the proceeds of tax-exempt bonds to expenditures for governmental purposes originally paid from a source other than such tax-exempt bonds will be treated as expenditures of such tax-exempt bonds only if certain requirements of the Reimbursement Regulations are satisfied by the issuer of such tax-exempt bonds; and

WHEREAS, the City of Saint Paul (the "City"), expects to pay certain original capital expenditures for items such as, but not limited to, (i) the design, the acquisition, construction, improvement and equipping of a new North End Community Center, (ii) the design, acquisition, construction, renovation, improvement and equipping of Fire House Station #7, and (iii) the City's anticipated mill and overlay program for City streets for calendar year 2023 (collectively, the "Projects"), which original expenditures are expected to be financed from other temporary sources, and which original expenditures are expected to be reimbursed from the proceeds of one or more series of tax-exempt bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAINT PAUL, MINNESOTA, AS FOLLOWS:

1. The City has a reasonable expectation (within the meaning of Treasury Regulations, Section 1.148-1(b)) that it will make expenditures for the Projects in 2022 and 2023. The City has a reasonable expectation that it will issue one or more series of tax-exempt bonds (the "Bonds") in the estimated principal amount of \$30,000,000 to finance the Projects and that the City will make reimbursement allocations with respect to such original expenditures for the Projects from the proceeds of such Bonds.

2. This Resolution shall be maintained as part of the books and records of the City at the main administrative office of the City, and shall be continuously available during normal business hours of the City on every business day of the period beginning not more than thirty (30) days after adoption of this Resolution and ending on the last date of issue of any Bonds.

3. This Resolution has been adopted not later than sixty (60) days after payment of any original expenditure for the Projects to be subject to a reimbursement allocation with respect to the proceeds of the Bonds.

4. All reimbursement allocations with respect to the Bonds will 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 Projects are placed in service or abandoned, but in no event more than three (3) years after an original expenditure is paid for the Projects. If the Bonds are eligible for the small issuer exception from arbitrage rebate, the "18-month" limitation above is extended to "three years" and the "three-year" maximum reimbursement period is disregarded.

5. This Resolution 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

Projects are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of 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 for the Projects.

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

7. No reimbursement allocation of the proceeds of the Bonds to expenditures for the Projects will employ an abusive arbitrage device (within the meaning of Treasury Regulations, Section 1.148-10) to avoid the arbitrage restrictions or to avoid the restrictions of Sections 141 through 150 of the Code.