

RESOLUTION NO. 2008-608

Adopted by the Sacramento City Council

September 2, 2008

DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF THE SACRAMENTO CITY FINANCING AUTHORITY BONDS (RAILYARD PUBLIC INFRASTRUCTURE)

BACKGROUND

- A. The City Council has determined to construct and acquire certain public facilities and to finance the construction and acquisition of those facilities using bonds issued by the Sacramento City Financing Authority. The facilities consist of the following (the "Project"), all of which are to be located within, or to serve, the City's Railyards Development: (1) a parking garage and related structures; streets, sidewalks, lighting, landscaping, and related structures; (2) other public infrastructure needed to serve the City's Railyards Development, including but not limited to water, sewer, and drainage facilities; (3) public amenities, including but not limited to parks, community centers, theaters, and libraries; and (3) engineering and design work for these facilities.
- B. To finance, on a long-term basis, the costs associated with the Project, the City expects to issue bonds through the Sacramento City Financing Authority (the "Bonds"). Depending on the circumstances, the interest on the Bonds may or may not be exempt from income taxation under the United States Internal Revenue Code. The maximum principal amount of the Bonds is not expected to exceed \$200,000,000.
- C. The City expects to pay certain expenditures in connection with the Project before the Bonds are issued (the "Original Expenditures") and to use a portion of the proceeds of the Bonds to reimburse itself for the Original Expenditures.
- D. Section 1.150-2 of the United States Treasury Regulations ("Section 1.150-2") requires the City to declare its reasonable "official intent" to reimburse itself with proceeds of the Bonds (i.e., the "proceeds of an obligation") for Project expenditures it expects to pay before the Bonds are issued.
- E. The City Council is fully advised in this matter.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that the statements in the Background are true.
- Section 2. The City hereby declares its official intent to use proceeds of an obligation, i.e., proceeds of the Bonds, to reimburse itself for the Original Expenditures.
- Section 3. This resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2. It does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.
- Section 4. This resolution takes effect when adopted.

Adopted by the City of Sacramento City Council on September 2, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

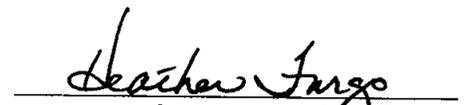
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk


Mayor Heather Fargo