

## **RESOLUTION NO. 2009-665**

Adopted by the Sacramento City Council

October 20, 2009

### **DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF CONVENTION CENTER THEATER RENOVATION BONDS**

#### **BACKGROUND**

- A. The City Council has determined to design, construct, and acquire the following public facilities, all of which relate to the City's renovation of its Convention Center Theater (the "Project"):
- (1) Infrastructure needs such as electrical, heating, air, sound, and life-safety systems; accessibility needs; additional restrooms; enhanced concessions and lobby space; and expanded and updated back-of-house areas, rehearsal space, and loading dock.
  - (2) Other public infrastructure needed to serve the City's Theater Renovation, including but not limited to water, sewer, and drainage facilities.
  - (3) Public amenities, including but not limited to parks, open space, pedestrian enhancements, and art.
  - (4) 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 (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 \$80,000,000.
- 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.

