

RESOLUTION NO. 2006-666

Adopted by the Sacramento City Council

September 5, 2006

DECLARATION OF THE CITY OF SACRAMENTO'S OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS OF ITS NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, SPECIAL TAX BONDS, SERIES D (2006)

BACKGROUND

- A.** The City Council has determined to construct and acquire certain public facilities authorized under its North Natomas Community Facilities District No. 4, including travel lanes, medians, frontage improvements and associated landscaping for Del Paso Road between Natomas Boulevard and Town Center Drive, and for Natomas Boulevard between New Market Drive and North Park Drive (collectively, the "Project").
- B.** To finance, on a long-term basis, the costs associated with the Project, the City reasonable expects to issue its North Natomas Community Facilities District No. 4 Special Tax Bonds, Series D (2006) the interest on which is to be exempt from income taxation under the United States Internal Revenue code (the "Debt Obligations"). The amount of the Debt Obligations is not expected to exceed \$26,270,000.
- C.** The City expects to pay certain expenditures in connection with the Project before the issuance of the Debt Obligations (the "Reimbursement Expenditures") and to use a portion of the proceeds of the Debt Obligations, to reimburse the Reimbursement Expenditures.
- D.** If the City reimburses the Reimbursement Expenditures from the proceeds of Debt Obligations, then Section 1.150-2 of the United States Treasury Regulations (the "Treasury Regulations") requires the City to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing.
- E.** The City Council is fully advised as to this matter.

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

Section 1. The above recitals are true, and the City Council so finds and determines.

Section 2. This resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. It does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The City declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This resolution takes effect when adopted.

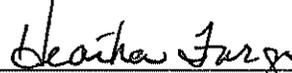
Adopted by the City of Sacramento City Council on September 5, 2006 by the following vote:

Ayes: Councilmembers, Cohn, Fong, McCarty, Sheedy, Tretheway, Waters.

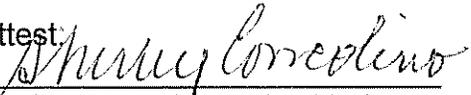
Noes: None.

Abstain: None.

Absent: Councilmembers, Hammond, Pannell, and Mayor Fargo.



Mayor, Heather Fargo

Attest:


Shirley Concolino, City Clerk