

RESOLUTION NO. 2009-749

Adopted by the Sacramento City Council

December 8, 2009

DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF REGIONAL-EMERGENCY- OPERATIONS-CENTER BONDS

BACKGROUND

- A. In 2001, the City of Sacramento (the "City"), the County of Sacramento (the "County"), the Regional Fire & Rescue Training Authority, and the Los Rios Community College District entered into a joint-powers agreement that created the Northern California Regional Public Safety Training Authority (the "Authority").
- B. In October 2005, the Authority subsequently leased, from MP Holdings LLC ("MPH"), the real property commonly known as Building 600 at McClellan Park, located at 3720 Dudley Boulevard (formerly 4300 54th Street), McClellan, California ("Building 600"). The lease has an initial term that expires on November 20, 2011, and the Authority has the right to extend the lease by up to three additional five-year terms. At the same time that they entered into the lease, MPH and the Authority also entered into a "Work Letter Agreement" under which MPH made substantial tenant improvements to Building 600, so that the building would be suitable for use as a regional emergency-operations center. The cost of these improvements is included in the base rent the Authority pays MPH under the lease.
- C. The City, the County, and several federal and state agencies have subleased space in Building 600, which now serves as the emergency-operations center for the Sacramento region.
- D. The City and the County have decided to investigate the feasibility of undertaking one of the following public projects (the "Project"):
- (1) Purchasing Building 600 from MPH.
 - (2) Refinancing the portion of base rent that is attributable to the tenant improvements MPH made to Building 600.
- E. To finance, on a long-term basis, the costs associated with the Project, the City and the County will explore forming a new joint-powers agency (the "JPA") through which they would issue bonds under the American Recovery and Reinvestment Act of 2009 (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 **\$15,000,000**.

- F. The City and the County expect that they or the JPA (1) will pay certain expenditures in connection with the Project before the Bonds are issued (the "Original Expenditures") and (2) will use a portion of the proceeds of the Bonds to reimburse themselves for the Original Expenditures.
- G. Section 1.150-2 of the United States Treasury Regulations ("Section 1.150-2") requires the issuer of the Bonds to declare its reasonable "official intent" to reimburse itself with proceeds of the Bonds (i.e., the "proceeds of an obligation") for Project expenditures the issuer expects to pay before the Bonds are issued.
- H. 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.

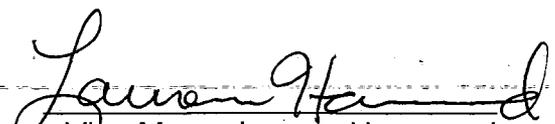
Adopted by the City of Sacramento City Council on December 8, 2009 by the following vote:

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

Noes: None.

Abstain: None.

Absent: Mayor Johnson.


Vice Mayor Lauren Hammond

Attest:


Shirley Concolino, City Clerk