

RESOLUTION NO. 2008-095

Adopted by the Sacramento City Council

February 19, 2008

DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF SPECIAL- TAX BONDS ISSUED BY THE CITY THROUGH THE PROPOSED NATOMAS LANDING COMMUNITY FACILITIES DISTRICT

BACKGROUND

- A. The City has constructed improvements within the public rights-of-way on Del Paso and El Centro Roads (collectively, the "Project") in advance of issuing entitlements for adjacent property owned by Ose Properties No. 2, a California limited partnership ("Ose Properties").
- B. Under City Agreement No. 2007-0873, Ose Properties is obligated to reimburse the City approximately \$480,000 for its share of the improvements.
- C. To finance, on a long-term basis, the costs associated with the Project, the City reasonably expects to issue special-tax bonds (the "Bonds") through a community facilities district—tentatively named "Natomas Landing Community Facilities District"—that will cover lands owned by Ose Properties. The interest on the Bonds is to be exempt from income taxation under the United States Internal Revenue Code. The maximum principal amount of the Bonds is not expected to exceed \$25,000,000.
- D. The City has paid certain expenditures in connection with the Project (the "Original Expenditures") and expects to use the proceeds of the Bonds to reimburse the Original Expenditures.
- E. Section 1.150-2 of the United States Treasury Regulations (the "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.
- F. The City Council is fully advised on 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 purpose 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 February 19, 2008 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk