

RESOLUTION NO. 2019-

A RESOLUTION DECLARING THE CITY'S OFFICIAL
INTENT TO REIMBURSE CERTAIN PROJECT COSTS WITH
TAX-EXEMPT OBLIGATION PROCEEDS

WHEREAS, the City of League City, Texas (hereinafter the "City") is home rule city of the State of Texas, authorized to finance its activities by issuing obligations pursuant to the Texas Government Code and Texas Local Government Code, which may include obligations the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations"), pursuant to Section 103 of the Internal Revenue of 1986, as amended (the "Code"), or both; and

WHEREAS, under Section 1.150-2 of the Treasury Regulations, a municipality is required to take action to publicly express its official intent to reimburse an expenditure with proceeds of tax-exempt obligations and such action must be made within 60 days of the date of the original expenditure; and

WHEREAS, to take advantage of reduced costs, the City intends to make expenditures with respect to the acquisition of the following project (hereinafter, collectively the "Project") before it issues certain tax-exempt obligations:

- (i) Bay Colony Area Detention Modification Project (DR 1909) in an amount not to exceed \$656,558 to be paid from the Miscellaneous Capital Projects Fund 5015
- (ii) Magnolia Creek and Cedar Gully Channel Improvement Project (DR 1906) in an amount not to exceed \$924,200

WHEREAS, the City desires to reimburse itself for the costs associated with the Project from the proceeds of tax-exempt obligations to be subsequently issued; and

WHEREAS, the City finds, considers and declares that the reimbursement for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in compliance with Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments when it issues tax-exempt obligations to finance the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The above-listed recitals are true and correct and hereby incorporated into this Resolution.

Section 2. The City expects to incur debt, as one or more series of tax-exempt obligations, with an aggregate maximum principal amount equal to \$1,580,758, for the purpose of

paying Project costs. The City hereby declares its intent to reimburse itself for such Project costs.

Section 3. All costs to be reimbursed pursuant hereto will be capital expenditures within the meaning of Section 1.150-2 of the Treasury Regulations. No tax-exempt obligations will be issued by the City in furtherance of this Resolution after the date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to such expenditures were made, is placed in service.

Section 4. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after any expenditure which is to be reimbursed is paid.

Section 5. The City Manager or his designee is authorized to execute all documents necessary to complete this transaction.

Section 6. All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 7. It is hereby found and determined that the meeting at which this resolution was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED AND APPROVED the _____ day of _____, 2019.

PAT HALLISEY
Mayor

ATTEST:

DIANA M. STAPP
City Secretary

APPROVED AS TO FORM:

NGHIEM V. DOAN
City Attorney