

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Resolution No. 338 Authorizing the Reimbursement of Expenditures Incurred for the Brugger's Bog Acquisition and Improvements Prior to the Issuance of Debt Financing
DEPARTMENT:	Administrative Services
PRESENTED BY:	Robert Hartwig, Administrative Services Director
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City will be acquiring King County's surplus maintenance facility at Brugger's Bog. This acquisition was authorized by the City Council on November 19, 2012 (<K:\Staff Reports\2012\20121119\20121119 SR - Brugger's Bog Acquisition.docx>). The City will be financing this acquisition and may incur expenditures associated with the acquisition before debt is issued. In order to reimburse the City for these expenditures from the debt proceeds a Reimbursement Resolution is legally required

RESOURCE/FINANCIAL IMPACT:

As stated the project will be funded from debt financing. The City is expected to issue up to \$3,366,622 in debt. The Reimbursement Resolution has no financial impact on this transaction other than to permit the City to expend debt related funds in advance of debt issuance. This is a routine resolution customarily adopted by a governmental entity in advance of debt issuance.

Resolution No. 338 serves the purpose of allowing reimbursement from future debt issuance for amounts expended in advance of the closing on the acquisition of Brugger's Bog. In the future staff will be bringing other actions before the City Council in order to finance the acquisition and initial improvements to the property.

RECOMMENDATION

Staff recommends that Council adopt Resolution No. 338 authorizing reimbursement of Brugger's Bog expenditures incurred prior to the issuance of debt financing.

Approved By: City Manager **JU** City Attorney **IS**

ATTACHMENTS

A. Resolution No. 338

RESOLUTION NO. 338

A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, AUTHORIZING REIMBURSEMENT OF EXPENDITURES FOR ACQUISITION COST OF THE BRUGGER'S BOG MAINTENANCE YARD FROM BOND PROCEEDS

WHEREAS, on November 26, 2012 the City Council approved purchase of the Brugger's Bog Maintenance Yard from King County for \$2,898,622, and authorized financing of the purchase price, site planning and site improvements totaling \$3,366,622; and

WHEREAS, financing will likely be obtained from the State of Washington's Local Option Capital Asset Lending (LOCAL) program during August, 2013 or other financing source before this date; and

WHEREAS, United States Department of the Treasury has promulgated regulations limiting the ability of the City to use the proceeds of tax-exempt obligations for reimbursement of prior expenditures without Council authorization; now therefore

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:

Section 1. Declaration of Official Intent.

A. The City reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City (the "Reimbursement Bonds").

B. The maximum principal amount of Reimbursement Bonds expected to be issued is \$3,366,622. The actual amount issued shall be determined based on the type of debt issued.

C. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds are for acquisition of the Brugger's Bog Maintenance Yard located at 19547 25th Ave. NE. Shoreline, WA, King County, Assessor's Tax Parcel No. 042604-9043, for use of the General Fund for road and parks maintenance and construction, and the Surface Water Utility for maintenance and construction of the utility's surface water system.

D. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from the General Capital Fund and/or the Surface Water Fund.

Section 2. Appointment of Administrative Services Director to Issue Certificate of Intent. Pursuant to U.S. Treasury Regulations the City Council hereby designates and appoints the

Administrative Services Director of the City as the responsible official for the purpose of issuing statements of official intent in compliance with Treasury Regulation Section 1.150-2, so that the Brugger's Bog capital project expenditures may be reimbursed from the proceeds of tax-exempt obligation(s) of the City. Each certificate so executed shall become a part of the official records of the City available for public inspection and review.

ADOPTED BY THE CITY COUNCIL ON JANUARY 28, 2013

Keith A. McGlashan, Mayor

ATTEST:

Scott Passey, City Clerk