

1 RESOLUTION NO. 2019-R____

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
4 CULVER CITY, CALIFORNIA, DECLARING ITS
5 INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS AND
6 APPROVING THE REIMBURSEMENT OF CITY FUNDS
7 EXPENDED ON SEWER CAPITAL IMPROVEMENT
8 PROJECTS FROM BOND PROCEEDS, IF ISSUED.

9 WHEREAS, the City Council of the City of Culver City (the "City") desires to
10 finance the costs of constructing certain capital projects and improvements to its sewer
11 system, as provided in Exhibit A attached hereto and incorporated herein (collectively, the
12 "Project"); and

13 WHEREAS, the City currently reasonably expects that it will finance the
14 acquisition of the Project or portions of the Project with the proceeds of the sale of obligations,
15 the interest upon which is excluded from gross income for federal income tax purposes (the
16 "Obligations"); and

17 WHEREAS, notwithstanding the foregoing, the City has not determined at this
18 time that it will actually undertake the issuance of such Obligations in the future; and

19 WHEREAS, the City desires to pay certain costs with respect to the Project
20 prior to the issuance of the Obligations, if any, from available moneys of the City, and to
21 reimburse itself for such costs from a portion of the proceeds of the sale of the Obligations,
22 if issued.

23 NOW, THEREFORE, the City Council of the City of Culver City, DOES
24 RESOLVE as follows:

25 SECTION 1. Each of the foregoing recitals are true and correct.

SECTION 2. The City reasonably expects, and hereby declares its intention, to reimburse itself for Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes the general character, type, purpose and function of the Project.

SECTION 3. The reasonably expected maximum principal amount of the Obligations that is anticipated to be used for such reimbursement is \$11,700,000.

SECTION 4. Except as described in Section 8 below, this Resolution is being adopted not later than 60 days after the payment of the original expenditures (the "Expenditures Date or Dates").

SECTION 5. Except as described in Section 8 below, the expected date of issue of the Obligations will be within 18 months of the later of: (a) the Expenditure Date or Dates; or (b) the date that the Project is placed in service; provided that the reimbursement may not be made more than three years after the Expenditure Date.

SECTION 6. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of the City, other than the Obligations) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the City or any entity related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

1 **SECTION 7.** This Resolution is consistent with the budgetary and financial
2 circumstances of the City as of the date hereof. No moneys from sources other than the
3 Obligations are, or are reasonably expected to be, reserved, allocated on a long-term basis
4 or otherwise set aside by the City, or any related party, pursuant to their budget or financial
5 policies with respect to the Project costs. To the best of the City's knowledge, the City is not
6 aware of the previous adoption of official intents by the City that have been made as a matter
7 of course for the purpose of reimbursing expenditures and for which tax-exempt obligations
8 have not been issued.
9

10 **SECTION 8.** The limitations described in Sections 4 and 5 above do not apply
11 to: (a) costs of issuance of the Obligations; (b) an amount not in excess of the lesser of
12 \$100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary
13 expenditures, such as architectural, engineering, surveying, soil testing and similar costs
14 other than land acquisition, site preparation and similar costs incident to commencement of
15 construction, not in excess of twenty percent (20%) of the aggregate issue price of the
16 Obligations that finances the Project for which the preliminary expenditures were incurred.
17

18 **SECTION 9.** This Resolution is adopted as an official action of the City in order
19 to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal
20 Revenue Service relating to the qualification for reimbursement of City expenditures incurred
21 prior to the date of issue of the Obligations, is part of the City's official proceedings, and will
22 be available for inspection by the general public at the Office of the City Clerk.
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1 **SECTION 10.** This Resolution shall take effect immediately upon its adoption.

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3 APPROVED and ADOPTED this _____ day of _____, 2019.

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5 _____
6 MEGHAN SAHLI-WELLS, Mayor
7 City of Culver City, California

8

9 ATTEST:

10 APPROVED AS TO FORM:

11 _____
12 JEREMY GREEN, City Clerk

13 _____
14 CAROL A. SCHWAB, City Attorney

EXHIBIT A

DESCRIPTION OF THE PROJECT

- Sewer Pipeline Diversion Project (diversion of flows from Overland and Mesmer Pump Stations to the newly constructed Bankfield Pump Station).
- Sewer Pipeline Diversion Project (diversion of flows from Fox Hills and Bristol Pump Stations to new Bankfield Sewer Pump Station).
- Citywide Sewer Pipeline video and lining repair project.