

Resolution No. 2022-48

Indicating Official Intent to Reimburse Original Expenditures from Bond Proceeds

Whereas, pursuant to Resolution No. 2022-46, the Fridley City Council (Issuer) has determined it is necessary and expedient to issue General Obligation Tax Abatement Bonds, Series 2022A (Bonds) to finance the improvements to the park system as identified in the Park System Improvement Plan (Plan) in the City of Fridley (City); and

Whereas, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (Regulations) dealing with the issuance of obligations all or a portion of the proceeds of which are to be used to reimburse the payor for project expenditures made by such payor prior to the date of issuance; and

Whereas, the Regulations generally require that the Issuer make a prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing no later than 60 days after payment of such expenditure, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, but in no event more than three years after the date the original expenditure was paid and that the expenditure must either be a capital expenditure, or a cost of issuance of the obligation; and

Whereas, the Issuer desires to comply with requirements of the Regulations with respect to the Plan in order to preserve the option of the Issuer to reimburse costs of the Project with tax-exempt obligations to finance the capital costs of the City's Park System Improvement Plan; and

Whereas, the total cost of the Project is approximately \$20,000,000, exclusive of financing costs and capitalized interest, and the Issuer intends to finance all or a portion of the costs of the Project from proceeds of a borrowing; and

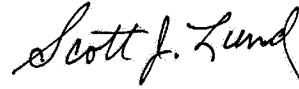
Whereas, the maximum amount of debt to be issued for the Project is \$20,730,000, plus costs of issuance and capitalized interest; and

Whereas, as of the date hereof, there are no Issuer funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project; and

Whereas, this resolution, therefore, is determined to be consistent with the Issuer's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations.

Therefore, be it resolved, the City Council of the City of Fridley declares the City of Fridley's intent to reimburse original expenditures from proceeds from the sale of the General Obligation Tax Abatement Bond, Series 2022A.

Passed and adopted by the City Council of the City of Fridley this 9th day of May, 2022.



Scott J. Lund – Mayor

Attest:



Melissa Moore – City Clerk