



CITY OF MANHATTAN BEACH CITY HALL

1400 Highland Avenue, Manhattan Beach, CA 90266

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TO: Honorable Mayor and Members of the City Council

FROM: Carrie Tai, Acting Public Works Director and Steve Charelian, Finance Director

MEETING: City Council Regular Meeting, March 2, 2021

SUBJECT: Agenda Item No.12 – Consideration of the Final Design for the Construction to Replace Fire Station No. 2 and a Resolution Approving the Intention to Issue Tax-Exempt Certificates of Participation.

DATE: March 2, 2021

ERRATA SHEET

Resolution No. 21-0024, Section 2 add “\$9.5 million.”

RESOLUTION NO. 21-0024

A RESOLUTION OF THE MANHATTAN BEACH
CITY COUNCIL REGARDING ITS INTENTION TO
ISSUE TAX-EXEMPT OBLIGATIONS

WHEREAS, the City of Manhattan Beach (the "City") desires to finance the costs of the design, construction and equipping of a fire station and related facilities (the "Project");

WHEREAS, the City intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of certificates of participation or other obligations the interest upon which is excluded from gross income for federal income tax purposes (the "COPs"); and

WHEREAS, prior to the issuance of the COPs the City desires to incur certain expenditures with respect to the Project from available monies of the City which expenditures are desired to be reimbursed by the City from a portion of the proceeds of the sale of the COPs;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY DOES
HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The City hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the COPs with proceeds of the COPs. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

SECTION 2. The reasonably expected maximum principal amount of the COPs is \$9.5 million.

SECTION 3. This resolution is being adopted on or prior to the date (the "Expenditures Date or Dates") that the City will expend monies for the portion of the Project costs to be reimbursed from proceeds of the COPs.

SECTION 4. Except as described below, the expected date of issue of the COPs will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For COPs subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, . . ." is not applicable.

SECTION 5. Proceeds of the COPs 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 COPs)) 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.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the City, as of the date hereof. No monies from sources other than the COP issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the City (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, the City is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the City, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the COPs, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the COPs that finances the Project for which the preliminary expenditures were incurred.

SECTION 8. This resolution is adopted as official action of the City in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of the City expenditures incurred prior to the date of issue of the COPs, is part of the City's official proceedings, and will be available for inspection by the general public at City Hall.

SECTION 9. All the recitals in this Resolution are true and correct and this so finds, determines and represents.

ADOPTED on March 2, 2021

AYES:
NOES:
ABSENT:
ABSTAIN:

SUZANNE HADLEY
Mayor

ATTEST:

LIZA TAMURA
City Clerk