

RESOLUTION NO. 1387

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, declaring the City's official intent to reimburse itself for expenditures incurred with respect to the repair and replacement of the North Bulkhead at the Des Moines Marina, including associated public amenities and beach access, pursuant to 26CFR 1-150-2.

WHEREAS, the City of Des Moines has determined to undertake the following capital project: repair and replacement of the North Bulkhead at the Des Moines Marina, including associated public amenities and beach access (collectively known as the "Project"), and

WHEREAS, it is currently the intent of the City to finance all or a portion of the costs of the Project through the issuance of tax-exempt bonds in the anticipated amount of approximately \$5,300,000, and

WHEREAS, the City has already incurred certain costs with respect to the Project, including, but not limited to, architectural, engineering and design costs ("preliminary expenditures"), and

WHEREAS, the City anticipates that it may incur (or not more than 60 days prior to the date of this Resolution, has incurred) additional costs with respect to the Project prior to the issuance of the City's tax-exempt bonds and/or the receipt of the proceeds thereof, and

WHEREAS, the City desires to reimburse itself, to the maximum extent permitted by law, from the proceeds of its tax-exempt bonds for those costs incurred by the City with respect to the Project; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The recitals to this Resolution are hereby incorporated by reference, as if fully set forth herein.

Sec. 2. The City Council has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the City reasonably expects to reimburse itself

for expenditures for the Project from proceeds of bonds because the City has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City for those expenditures on the Project. The City therefore declares its official intent to reimburse itself for expenditures originally made out of the Municipal Capital Improvements fund, on a temporary basis, with respect to the Project from the proceeds of tax-exempt financing to be undertaken by the City. The date of this declaration is the date of adoption of this Resolution.

Sec. 3. The maximum principal amount of debt expected to be issued for reimbursement is not more than \$5,300,000 (amount expected to be spent prior to issuance of debt).

Sec. 4. This Resolution is intended to constitute a declaration of official intent within the meaning of 26CFR 1-150-2, and shall be construed in accordance with the provisions thereof.

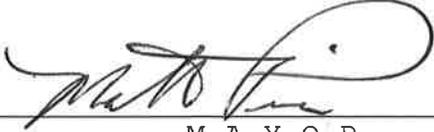
Sec. 5. The City will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the City for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds (i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds). Nor will the City use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

Sec. 6. Any actions of the City or its officers prior to the date thereof and consistent with the terms of this Resolution are ratified and confirmed.

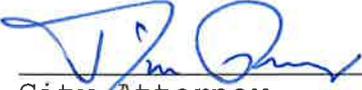
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Sec. 7. This Resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED BY the City Council of the City of Des Moines, Washington this 24th day of May, 2018 and signed in authentication thereof this 24th day of May, 2018.


MAYOR

APPROVED AS TO FORM:


City Attorney

ATTEST:


City Clerk