

CITY OF BREEZY POINT
RESOLUTION xx-2024

A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE CITY OF BREEZY POINT TO
REIMBURSE CERTAIN EXPENDITURES FOR CAPITAL IMPROVEMENTS FROM THE
PROCEEDS OF TAX-EXEMPT BONDS OR OTHER OBLIGATIONS TO BE ISSUED BY THE
CITY

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt obligations used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the City of Breezy Point, Minnesota (the “City”) expects to incur certain expenditures that may be financed temporarily from sources other than tax-exempt bonds and other obligations, and reimbursed from the proceeds of tax-exempt obligations; and

WHEREAS, the City has determined to make this declaration of official intent (the “Declaration”) to reimburse certain costs from proceeds of tax-exempt bonds or other obligations in accordance with the Reimbursement Regulations; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Breezy Point, Minnesota as follows:

1. The City proposes to undertake certain capital improvements under a five-year capital improvement plan, including but not limited to the renovation and expansion of City Hall (collectively, the “Project”).
2. The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of tax-exempt bonds or other obligations in an estimated maximum principal amount of \$3,030,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds or other obligations, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.
3. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of tax-exempt bonds or other obligations, except for the following expenditures: (a) costs of issuance of bonds or other obligations; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue of bonds or other obligations; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, soil testing, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.
4. A reimbursement allocation with respect to tax-exempt bonds will be made not later than 18 months after the later of: (a) the date the original expenditure is paid; or (b) the date the Project is placed in service or abandoned, but in no event more than 3 years after the original expenditure.

5. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the tax-exempt bonds or other obligations described in paragraph 2 are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of tax-exempt bonds or other obligations to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City's budget or financial policies to pay such Project expenditures.
6. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Rebecca Ball: _____

Brad Scott: _____

Steve Jensen: _____

Angel Zierden: _____

Michael Moroni: _____

Adopted this 5th day of August 2024.

Attest:

Mayor Angel Zierden

David C. Chanski, City Administrator/Clerk