



City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

Meeting Date: April 23, 2024

Title: Resolution of the City Council of the City of Needles Declaring its Intent to Issue Tax-Exempt Obligations to Be Used to Reimburse the City of Needles for Expenditures to Be Made Prior to the Issuance of Such Obligations

Background: In 2022, the City of Needles ("City") entered into various grant agreements to provide grant funding for parks and related public facilities projects in the City (the "Grant Projects"). The Grant Projects include Duke Watkins Park, the Marina Park project, Jack Smith Park trail, golf course irrigation, certain street improvements and hazard mitigation projects.

The City has applied for the Rural Community Assistance Corporation ("RCAC") program, whereby RCAC purchases grant anticipation notes from communities in the Western United States, such as the City. RCAC has approved the City's Grant Anticipation Note ("GAN") application and can offer the City a revolving line of credit secured by grant revenues for a term sufficient to cover construction of the Grant Projects.

Pursuant to Treasury Regulations Section 1.150-2, the City may reimburse amounts advanced by the City for the Grant Projects, if the City Council adopts an official intent to reimburse the original expenditure.

This agenda item declares the City's intent to issue tax-exempt obligations to be used to reimburse the City for expenditure made prior to the issuance of the GAN.

Fiscal Impact: Adoption of the Resolution will allow the City to reimburse itself for Grant Projects costs that are paid for by moneys of the City with proceeds of the GAN.

Recommended Action: Staff recommends that the City Council adopt the resolution declaring its intent to issue tax-exempt obligations to be used to reimburse the City for expenditures to be made prior to the issuance of such obligations.

Submitted By: Kathy Raasch, Interim Development Services Director

City Manager Approval: 

Date: 4-19-24

Other Department Approval (when required): _____

Date: _____

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 11