

Resolution No. 07-24

Resolution: To declare the official intent of The Mayor and Council of Rockville to reimburse expenditures for certain projects from the proceeds of tax-exempt obligations under U.S. Treasury Income Tax Regulation Section 1.150-2

RECITALS

WHEREAS, The Mayor and Council of Rockville (the “**Mayor and Council**”) intends to issue debt to finance the acquisition, construction and equipping of certain facilities and equipment described on Exhibit A attached hereto (collectively, the “**Projects**”) for use in the governmental functions of the City of Rockville, Maryland (the “**City**”); and

WHEREAS, the Projects are expected to cost approximately \$26,862,800 in the aggregate and the City expects to make expenditures (“**original expenditures**”) for the Projects before such debt is issued; and

WHEREAS, U.S. Treasury Income Tax Regulation Section 1.150-2 requires that in order to assure the eligibility of an original expenditure made by the City for reimbursement from the proceeds of tax-exempt obligations, the Mayor and Council generally must adopt an official intent in compliance with such regulation within 60 days after payment of the original expenditure; and

WHEREAS, the Mayor and Council desires to declare its official intent to reimburse the original expenditures to pay costs of the Projects with the proceeds of the City’s debt in order to comply with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby assure the eligibility of the original expenditures for such reimbursement; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, as follows:

1. The City intends to acquire, construct and equip the Projects.
2. The City reasonably expects that (i) it will issue debt in the form of tax-exempt bonds or other obligations to finance all or a portion of the costs of the Projects, and (ii) it may pay original expenditures for the Projects prior to the issuance of such bonds or other obligations and reimburse such expenditures from the proceeds of such bonds or other obligations.
3. The maximum principal amount of tax-exempt bonds or other obligations that the City expects to issue for the Projects is \$26,862,800.
4. This Resolution shall constitute the declaration by the Mayor and Council of its official intent to reimburse the City’s original expenditures to pay the costs of the Projects with the proceeds of the City’s debt for purposes of complying with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby assure the eligibility of the original expenditures for such reimbursement.

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I hereby certify that the foregoing is a true and correct copy
of a resolution adopted by the Mayor and Council at its
meeting of May 6, 2024

A handwritten signature in blue ink, reading "Sara Taylor-Ferrell", is written over a horizontal line.

Sara Taylor-Ferrell, City Clerk/Director of Council Operations

EXHIBIT A

Listing of Potential Debt Amounts for City Projects FY 2025 Bond Funded Projects

Capital Projects Fund Projects	Debt Amount	Issue Fiscal Year	Maturity
F. Scott Fitzgerald Theatre ADA Improvements (RA20)	920,000	2025	20 Years
Lincoln Park Community Center Improvements (RA22)	1,500,000	2025	20 Years
Outdoor Recreation Pool Renovations (RC18)	10,446,000	2025	20 Years
Capital Projects Fund Subtotal	\$12,866,000		
Sewer Fund Projects	Debt Amount	Issue Fiscal Year	Maturity
Blue Plains Wastewater Treatment (UA21)	5,809,300	2025	20 Years
Sewer Fund Subtotal	\$5,809,300		
Water Fund Projects	Debt Amount	Issue Fiscal Year	Maturity
Water Infrastructure and Water Treatment Plant Projects	8,187,500	2025	20 Years
Water Fund Subtotal	\$8,187,500		
GRAND TOTAL	\$26,862,800		

ASSUMES ALL LEVEL PRINCIPAL SCHEDULES

