

RESOLUTION NO. 074, SERIES 2014

RESOLUTION OF OFFICIAL INTENT OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION AND IMPROVEMENT OF CERTAIN CAPITAL PROJECTS OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AND ITS AGENCIES AND DEPARTMENTS FROM THE PROCEEDS OF A PROPOSED ISSUE OF TAX-EXEMPT GENERAL OBLIGATION BONDS AND TAX-EXEMPT GENERAL OBLIGATION NOTES.

SPONSORED BY: Councilwoman Rutledge

WHEREAS, Treasury Regulations §1.150-2 (the "Reimbursement Regulations"), issued pursuant to §150 of the Internal Revenue Code of 1986, as amended (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under §150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of §§103 and 141 through 150 of the Code are not subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that an issuer or borrower make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that the Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Allocation must be made no later than three (3) years after such Capital Expenditure was paid; and

WHEREAS, the Louisville/Jefferson County Metro Government ("Louisville Metro") on behalf of itself and its agencies and departments wishes to ensure compliance with the Reimbursement Regulations.

NOW, THEREFORE, be it Resolved by the Metro Council of the Louisville/Jefferson County Metro Government, as follows:

**Section 1. Definitions.** The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to effect the reimbursement of Louisville Metro for such payments.

"Capital Expenditures" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as costs of issuing Reimbursement Obligations.

"Declaration of Official Intent" means a written declaration that Louisville Metro intends to fund a Capital Expenditure with an issue of Reimbursement Obligations and reasonably expects to be reimbursed from the proceeds of such an issue.

"Reimbursement" means restoration to Louisville Metro of money temporarily advanced from other funds of Louisville Metro to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"Reimbursement Obligations" means Obligations that are issued to reimburse Louisville Metro for Capital Expenditures previously paid by or for Louisville Metro.

"Reimbursement Regulations" means Treasury Regulations §1.150-2 and any amendments thereto or superseding regulation, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations when allocated or applied to a reimbursement will be treated as "spent" for purposes of §§103 and 141 through 150 of the Code.

**Section 2. Declaration of Official Intent.**

(a) Louisville Metro declares that it reasonably expects that the Capital Expenditures described in Section (b), which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing of Louisville Metro in the anticipated aggregate principal amount of \$30,000,000.


(b) The Capital Expenditures to be reimbursed are to be used for the acquisition, construction, renovation and/or improvement of certain capital projects described and listed in Ordinance No. 101, Series 2014 of Louisville Metro (the "Capital Budget Ordinance").


(c) The fund or account from which the Capital Expenditures will be paid and which will be reimbursed from the proceeds of Obligations is the General Fund, the Capital Cumulative Reserve Funds, and other funds or accounts of Louisville Metro.


**Section 3. Reasonable Expectations.** Louisville Metro does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by Louisville

Metro or any other entity affiliated with Louisville Metro, with respect to the Capital Expenditures described in Section 2(b) hereof.

**Section 4. Effective Date.** This Resolution shall be effective from and after its date of adoption.

  
H. Stephen Ott  
Metro Council Clerk

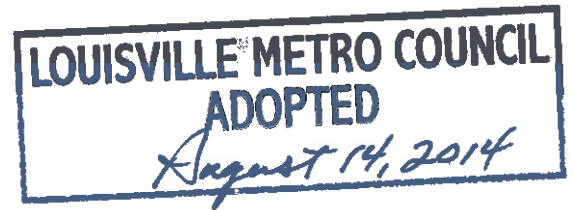
  
Jim King  
President of the Council

  
Greg Fischer  
Mayor

  
Approval Date

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O'Connell  
Jefferson County Attorney



By: 

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Gen'l.Obligation & Tax-Exemp Bonds & Notes TG ROC bkn 071814 Draft 1 *JAG*

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CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified Metro Council Clerk of the Louisville/Jefferson County Metro Government, and as such Clerk I further certify that the foregoing is a true, correct and complete copy of a resolution duly adopted by the Council of said Metro Government upon second reading at a duly convened meeting held on August 14, 2014, signed by the Mayor and President of the Council and now in full force and effect, all as appears from the official records of said County in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this 19<sup>th</sup> day of AUGUST, 2014.

  
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H. Stephen Ott  
Clerk of the Metro Council

Seal of the Louisville/Jefferson  
County Metro Government