

## **MEMORANDUM**

**To:** Mayor and City Council  
**From:** Chris Pike, Finance Director  
**Date:** May 9, 2016  
**Subject:** **Resolution to Reimburse Pre-closing expenses from Debt Proceeds**

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### **ITEM DESCRIPTION**

To approve a Resolution to Reimburse Pre-closing expenses from Debt Proceeds.

### **BACKGROUND**

The City has taken action to acquire real estate and anticipates financing a portion of the purchase with debt. After this decision to acquire and prior to the closing of the debt, the City will incur certain expenses related to the acquisition of the property (e.g. appraisals, legal fees, surveys, project management, etc). A resolution by Council is required should the City decide at some point in time to use a portion of the debt proceeds to reimburse itself for the pre-closing expenditures. Approval of the resolution does not obligate the City to receive reimbursement; it merely allows it.

### **ALTERNATIVES**

Should Council not approve the resolution, it will forfeit its ability to get reimbursement for expenses incurred prior to issuance of the debt.

### **RECOMMENDED ACTION**

Staff recommends approval of a resolution to state its intention to reimburse itself from future proceeds of tax-exempt debt for any such expenditures.

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DUNWOODY, GEORGIA WITH RESPECT TO PROPOSED FINANCING OF THE ACQUISITION, CONSTRUCTION, AND INSTALLATION OF A MUNICIPAL FACILITY THROUGH THE ISSUANCE OF ONE OR MORE TAX-EXEMPT DEBT FINANCINGS; AND FOR OTHER PURPOSES

WHEREAS, the Mayor and Council of the City of Dunwoody, Georgia (the “Governing Body”) has determined that it is in furtherance of public good that the City of Dunwoody, Georgia (the “City”), a municipal corporation of the State of Georgia, expend money on the costs of the acquisition, construction and installation of a City Hall at 4800 Ashford Dunwoody Road (the “Municipal Facility”) in advance of the issuance of tax-exempt debt for such purposes; and

WHEREAS, the Municipal Facility will require capital expenditures currently estimated at not to exceed \$ 10,500,000 and the one or more issues of tax-exempt debt to pay the costs of such Municipal Facility is currently estimated not to exceed \$ 9,500,000 in aggregate principal amount; and

WHEREAS, the tax-exempt debt to pay the costs of such Municipal Facility is to be issued by the City or by an authority or other political subdivision or governmental entity for the benefit of the City; and

WHEREAS, the Governing Body finds it prudent to adopt this Resolution stating its intention to reimburse itself from future proceeds of tax-exempt debt for any such expenditures;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Dunwoody, Georgia, and it is hereby resolved by authority of the same, as follows:

(1) The Governing Body hereby indicates its official intent to reimburse expenditures heretofore or hereafter made by itself in connection with the foregoing Municipal Facility (to the extent permitted by Section 1.150-2 of the Income Tax Regulations of the Internal Revenue Code of 1986, as amended) from one or more future issues of tax-exempt debt.

(2) The maximum principal amount of tax-exempt debt expected to be issued by the City or by an authority or other political subdivision or governmental entity for the benefit of the City for the acquisition, construction, and installation of the Municipal Facility hereinabove described is currently estimated not to exceed \$ 9,500,000.

(3) The Clerk of the City is instructed to file a certified copy of this resolution with instructions that this resolution should be made available to the general public upon reasonable request therefor.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF DUNWOODY, GEORGIA

Approved:

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Denis L. Shortal, Mayor

ATTEST:

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Sharon Lowery, City Clerk  
(Seal)

CLERK’S CERTIFICATE

The undersigned Clerk of the City of Dunwoody, Georgia (the “City”) DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted on \_\_\_\_\_, 2016, by the Mayor and Council of the City of Dunwoody, Georgia (the “Governing Body”) in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of record in the Minute Book of the Governing Body which is in the undersigned’s custody and control, and that a certified copy of the same is available for distribution upon request to members of the general public.

WITNESS my hand and the official seal of the City, this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Clerk

(SEAL)