



Legislation Text

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Consider a resolution expressing official intent to reimburse certain project expenditures in conjunction with the new main Library from the proceeds of a future General Obligations bond sale.

This resolution allows for project costs related to design and construction of the new main Library to be spent before the bond proceeds are received. This resolution will allow the library project to move forward using existing cash and then reimburse the funds once the bonds are issued. This resolution is for \$21.7 million of GO Bonds which represents the 3rd and final issuance of the 2013 bond authorization approved by our voters and approximately \$6.2 million of future CO Bonds.

The first GO Bond issuance included \$1.5 million for the Library project. The third issuance will bring the GO funding for the Library project to \$23.2 million, in accordance with Proposition III of the 2013 voter-approved bond authorization.

Total project costs for the Library are estimated at \$34.9 million, composed of the following funding sources:

Funding Source	Amount
GO Bonds - 2014 Issuance	\$1,500,000
GO Bonds - Future Issuance	21,700,000
GSFC	5,500,000
CO Bonds - Future Issuance	6,200,000
Total Estimate Cost	\$34,900,000

Proceeds from the sale of the General Obligation bonds and Certificates of Obligation will be used for constructing, renovating, improving, and equipping the new main Library location.

This resolution is required to meet IRS rules and regulations regarding the use of tax-exempt funds.

With ground breaking expected sometime in 2021, staff recommends taking this action now to preserve the City's tax exempt financing options.