

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. \_\_\_\_ - 23

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DIRECTING THE CITY MANAGER TO TAKE ACTIONS NECESSARY TO FINANCE THE PUBLIC SAFETY FACILITY AND CIVIC CENTER PARK PROJECT THROUGH THE ISSUANCE OF LEASE REVENUE BONDS OR CERTIFICATES OF PARTICIPATION AND APPROVING CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the City of Garden Grove (the "City"), a municipal corporation and general law city of the State of California, desires to finance certain costs of replacing the existing, aging police department building; expanding and activating the new, existing Civic Center park; and constructing and replacing surface parking lot with a new, secure parking garage (collectively, the "Project"); and

WHEREAS, the City has requested that the Garden Grove Public Financing Authority (the "Authority") assist in the financing of the Project by issuing lease revenue bonds or certificates of participation in the reasonably expected maximum principal amount of \$140,000,000 (the "Bonds"); and

WHEREAS, the interest on the Bonds will be excluded from gross income for federal income tax purposes; and

WHEREAS, the City expects to incur costs in furtherance of the Project and to reimburse such costs with the proceeds of the Bonds, if and when issued; and

WHEREAS, in order to provide for the issuance of the Bonds to finance the Project, City staff, under the direction of the City Manager and the Finance Director and with the assistance of certain attorneys, consultants, and other third parties designated in Section 4 hereof, will proceed to evaluate the feasibility of and take actions needed to proceed with the financing of the Project through issuance of the Bonds; and

WHEREAS, prior to and as a condition to issuance of the Bonds, the City Council of the City (the "City Council") and the Board of Directors of the Authority (the "Board") must authorize the issuance of the Bonds at a future public meeting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. All the recitals in this Resolution are true and correct and this City Council so finds, determines and represents.

SECTION 2. Reimbursement. The City hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Bonds with proceeds of the Bonds. The Project is described in Exhibit A attached hereto.

(a) The reasonably expected maximum principal amount of the Bonds is \$140,000,000.

(b) This resolution is being adopted on or prior to the date (the “Expenditures Date or Dates”) that the City will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Bonds.

(c) Except as described below, the expected date of issue of the Bonds will be within 18 months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Bonds subject to the small City exception of Section 148(f)(4)(D) of the Internal Revenue Code, the “eighteen-month limit” of the previous sentence is changed to “three years” and the limitation of the previous sentence beginning with “; provided, . . . .” is not applicable.

(d) Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any Bond (other than to pay current debt service coming due within the next succeeding one year period on any tax exempt Bond of the City (other than the Bonds)) or to be held as a reasonably required reserve or replacement fund with respect to an Bond of the City or any entity related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any Bond, or to replace funds that are or will be used in such manner.

(e) This resolution is consistent with the budgetary and financial circumstances of the City, as of the date hereof. No monies from sources other than the Bond issue are, or are reasonably expected to be reserved, allocated on a long term basis, or otherwise set aside by the City (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax exempt Bonds have not been issued.

(f) The limitations described in Section 2(c) and Section 2(d) do not apply to (a) costs of issuance of the Bonds, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Bonds, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Bonds that finances the Project for which the preliminary expenditures were incurred.

(g) This resolution is adopted as official action of the City in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of City expenditures incurred prior to the date of issue of the Bonds, is part of the City’s official proceedings, and will be available for inspection by the general public at the main administrative office of the City.

**SECTION 3. Direction to Proceed with Financing.** The City Manager, the Finance Director, and their designees (the “Authorized Officers”) are hereby authorized and directed to work with the attorneys, consultants, and third parties designated in Section 4 below to

take all actions necessary and appropriate to present the Bonds and related agreements to the City Council and the Board for approval at a future meeting.

SECTION 4. Appointment of Professionals. The City Council hereby approves and appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond and Disclosure Counsel, Fieldman, Rolapp & Associates, Inc., as Municipal Advisor, and U.S. Bank Trust Company, National Association as Trustee, each to provide such services to the City as may be required to issue the Bonds. The Authorized Officers are hereby authorized to enter into contracts or to sign such other documentation as is necessary or appropriate to evidence such engagements and retain such services in connection with the Bonds.

SECTION 5. Effectiveness. This resolution shall take effect immediately.

Adopted this 14th day of November 2023.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

STATE OF CALIFORNIA                    )  
COUNTY OF ORANGE                    ) SS:  
CITY OF GARDEN GROVE)

I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on November 14, 2023, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
CITY CLERK