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DATE: July 16, 2024
TO: CRA Board of Commissioners
FROM: Suzette Sibble, Assistant City Manager
Nguyen Tran, Director
THROUGH: Gregory P. Harrison, Executive Director
RE: A Resolution to Use a Portion of the FY2025 Bond Proceeds to Reimburse the CRA for Related Eligible Project Cost Incurred Prior to Issuance

Background

To use proceeds of tax-exempt bonds to reimburse the CRA for related eligible project costs incurred prior to bond issuance (other than certain preliminary expenditures, such as design, engineering, and land clearing), the CRA as the issuer, is required by Section 1.150-2 of the Federal income tax regulations to officially declare its intent to use such bond proceeds for reimbursement purposes. In the absence of the required official declaration, tax-exempt bond proceeds may not be used to reimburse eligible project costs (excluding preliminary costs) incurred more than 60 days prior to the bond issue.

The financing documents for the bond issue will be brought forward for CRA Board and City Commission approval at a future date. The NW 6th Avenue project is fully funded currently in the NW District's Finance Plan. It has been included to allow the CRA the flexibility to utilize the bond to reimburse the CRA for costs incurred for that project in order to provide additional cash to the CRA to allow for the completion of initiatives in the redevelopment plan relative to the downtown.