

DRAFT 5/14/25_____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE DECLARING THE INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF SOLID WASTE REVENUE BONDS TO BE ISSUED BY THE SUNNYVALE FINANCING AUTHORITY, AND DIRECTING CERTAIN ACTIONS

WHEREAS, the City of Sunnyvale (the "City") and the City of Mountain View ("Mountain View") are parties to a New Memorandum of Understanding Among the Cities of Mountain View and Sunnyvale Relating to the Operation of a Materials Recovery and Transfer Station, dated December 22, 2021 (the "MOU"), which governs the use and management of the Sunnyvale Materials Recovery and Transfer Station (the "Facility"); and

WHEREAS, the City is planning to undertake the design, furnishing and installation of an integrated waste process equipment system at the Facility that can process municipal solid waste and source-separate recyclables to achieve higher diversion goals and system efficiency (the "Project"); and

WHEREAS, the City intends to cause the Sunnyvale Financing Authority (the "Authority") to issue solid waste revenue bonds (the "Bonds") to finance the costs of the Project; and

WHEREAS, the Bonds would be payable from installment payments made by the City to the Authority under an installment sale agreement between the City and the Authority (the "Installment Sale Agreement"), and the City would make the installment payments from net revenues of the City's solid waste system and payments made by Mountain View under the MOU; and

WHEREAS, the City intends to use a portion of the proceeds of the Bonds to reimburse expenditures made by the City for the Project prior to the issuance of the Bonds; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the City declares its official intent to reimburse the expenditures referenced herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. **Reimbursement Intent.** The City Council hereby declares its intention to enter into the Installment Sale Agreement and to cause the Authority to issue the Bonds for the purpose of financing the costs of the Project.

The City Council further hereby declares that it reasonably expects (i) to pay certain costs of the Project prior to the date of issuance of the Bonds and (ii) to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the Project that are paid before the date of issuance of the Bonds.

2. **Maximum Principal Amount of the Bonds.** The maximum principal amount of the Bonds is \$50,000,000.
3. **Section 3. No Obligation.** This Resolution does not obligate the Authority to issue the Bonds, the City or the Authority to enter into the Installment Sale Agreement, or the City to undertake the Project, each of which is subject to further approvals by the Authority and the City Council.
4. **Effective Date.** This Resolution is effective on the date of its adoption.

Adopted by the City Council at a regular meeting held on _____, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

APPROVED:

DAVID CARNAHAN
City Clerk
(SEAL)

LARRY KLEIN
Mayor

APPROVED AS TO FORM:

REBECCA L. MOON
City Attorney