

RESOLUTION NO. R A 91-04

A RESOLUTION OF THE REDEVELOPMENT AGENCY
OF THE CITY OF PASO ROBLES DESIGNATING
THE PROPOSED 1991 TAX ALLOCATION BONDS AS
QUALIFIED TAX-EXEMPT OBLIGATIONS UNDER SECTION 265 OF THE
INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, the El Paso de Robles Redevelopment Agency (the "Agency") proposes to issue tax allocation bonds, to be known as "El Paso de Robles Redevelopment Agency (Paso Robles Redevelopment Project) 1991 Tax Allocation Bonds" (the "Bonds"), in order to carry out the purposes of the Paso Robles Redevelopment Project and the Board of Directors (the "Board") of the Agency have approved the sale of the Bonds and approved and ratified the execution of the various financing documents necessary to issue the Bonds; and

WHEREAS, the Board desires to designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue code of 1986, as amended, in order to make said Bonds more marketable; and

WHEREAS, the bonds will not be "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Agency is a "qualified small issuer" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1: The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

SECTION 2: The designation made in Section 1 is in the public interest and will benefit the Agency by making the Bonds more marketable.

SECTION 3: The Agency has not issued, and does not reasonably expect to issue, tax-exempt bonds, which when combined with the proposed \$3,500,000 aggregate face amount of the Bonds, will exceed \$10,000,000 during calendar year 1991.

SECTION 4: This Resolution shall take effect immediately.

PASSED AND ADOPTED this 19th day of November, 1991, by the following vote:

AYES: Picanco, Russell, Reneau and Iversen

NOES: None

ABSENT: Martin

ABSTAIN: None

Nick A Russell
Chairperson of the Redevelopment Agency

ATTEST:

John McCarthy
John McCarthy, Secretary

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City of El Paso de Robles

"The Pass of the Oaks"

November 19, 1991

TO: Redevelopment Agency Board

FROM: Mike Compton,
Director of Administrative Services *TC*

SUBJECT: Resolution Designating the Proposed Bond Issue as
Qualified Tax-Exempt

Recommendation

That the Board adopt Resolution no. 91-04 designating the proposed 1991 tax allocation bonds as qualified tax-exempt obligations.

Discussion

Staff apologizes for the lateness in which this item is presented for your consideration. Due to changes in federal laws and IRS regulations, the issuance of bonds has become quite a complicated matter and requires the approval and execution of many documents that were previously overlooked in the mountain of paperwork being accumulated.

Approval of the item improves the marketability of the bonds by making it quite clear to the potential buyers (financial institutions) that the bond issue is in fact tax exempt.

Fiscal Impact

Improving the marketability of the bond issue will provide the opportunity for more financial institutions to participate in the competitive bid process for the sale of the bonds. This increased participation and resulting competitiveness may result in the sale of the bonds at a more favorable interest. The actual benefit is determinable.

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