

RESOLUTION NO. R2010-18
Superseding Resolution R2003-11

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	8/26/10	Final Action	Brian McCartan, Chief Financial Officer Tracy Butler, Treasurer	206-398-5100 206-398-5146

PROPOSED ACTION

1) Authorizes the chief executive officer to designate certain capital outlays for potential reimbursement from Board-authorized bond issues and enable Sound Transit to apply future bond proceeds to capital outlays incurred prior to issuance of bonds, and 2) supersedes Resolution No. R2003-11.

KEY FEATURES

- This action supersedes Resolution No. R2003-11 to allow Sound Transit to apply bond proceeds from “Build America Bonds” and other tax-advantaged bonds to capital outlays incurred prior to issuance of bonds. Resolution No. R2003-11 only allowed application of bond proceeds from tax-exempt bonds.

PROJECT DESCRIPTION

At the time the Board adopted Resolution No. R2003-11, there were no Build America Bonds or other tax-advantaged bonds. The new resolution will make it clear, from the standpoint of internal delegation of authority under Sound Transit's procedures, that the chief executive officer is authorized to file statements of intent with respect to tax-advantaged bonds as well as tax-exempt bonds.

FISCAL INFORMATION

There are no budget impacts for this action.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

On June 12, 2003, the Board adopted Resolution No. R2003-11, delegating to the chief executive officer the authority to issue certificates that would allow Sound Transit to use future bond proceeds to reimburse itself for capital expenditures. Each certificate lists specific projects that Sound Transit is spending money and that Sound Transit may wish to be reimbursed for when bonds are later issued.

Since 2003, there have been changes in the law that require revisions to certain provisions of Resolution No. R2003-11, specifically, to add express reference to taxable “Build America Bonds” and other tax-advantaged bonds.

ENVIRONMENTAL COMPLIANCE

SSK 8-20-10

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2003-11 – Designated and appointed the Executive Director as the Sound Transit responsible official for the purpose of designating certain expenditures for potential reimbursement from bonds that may be authorized and approved for issuance by the Board in the future.

TIME CONSTRAINTS

A delay in approval of this action will reduce the amount of capital outlays that could qualify for reimbursement from bond proceeds.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

BN 8/20/10

RESOLUTION NO. R2010-18

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority 1) authorizing the chief executive officer to designate certain capital outlays for potential reimbursement from Board-authorized bond issues and enable Sound Transit to apply future bond proceeds to capital outlays incurred prior to issuance of bonds, and 2) superseding Resolution No. R2003-11.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 8, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit issues tax-exempt, "Build America Bonds" and other tax-advantaged obligations from time to time for the purpose of financing its governmental activities; and

WHEREAS, the United States Department of the Treasury has promulgated certain regulations limiting the ability of municipalities to use the proceeds of tax-exempt, "Build America Bonds" and other tax-advantaged obligations for reimbursement of prior expenditures; and

WHEREAS, the regulations permit Sound Transit to appoint one or more officials for the purpose of identifying and qualifying capital projects for reimbursement purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority, as follows:

Section 1. Appointment of Chief Executive Officer. Pursuant to U.S. Treasury Regulation Section 1.103-18(f), the Board hereby designates and appoints the Chief Executive Officer of Sound Transit as the responsible official for the purpose of issuing statements of official intent in compliance with Treasury Regulation Section 1.103-18.


Section 2. Statements of Official Intent. Upon a determination by the Chief Executive Officer that the costs of a particular capital project may be reimbursed from the proceeds of a tax-exempt, "Build America

Bonds” and other tax-advantaged obligation(s) of Sound Transit, the Chief Executive Officer is authorized and directed to execute a certificate of official intent, substantially in the form attached hereto as Exhibit A. Each certificate so executed shall become a part of the official records of Sound Transit available for public inspection and review.

No capital projects will be undertaken unless such projects have been previously approved in the customary manner by the Board, and the execution of any certificate of official intent shall not obligate Sound Transit to issue any debt.


Section 3. Resolution No. R2003-11 is superseded.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 26, 2010.



Fred Butler
Board Vice Chair

ATTEST:



Marcia Walker
Board Administrator



**RESOLUTION NO. R2010-18
EXHIBIT A**

FORM OF OFFICIAL INTENT CERTIFICATE

Pursuant to Resolution No. _____ adopted by the Board of Sound Transit on _____, the undersigned, Chief Executive Officer of Sound Transit hereby states as follows:

Section 1. Sound Transit reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by Sound Transit (Reimbursement Bonds).

Section 2. The maximum principal amount of Reimbursement Bonds expected to be issued is \$_____.

Section 3. The expenditures with respect to which Sound Transit reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds are for _____
[insert general functional description of the property, project or program, for example, power lines to be situated at ____].

Dated with _____ day of _____.

Signed by:

Title:
