

Parkrose School District #3
Agenda Item # _____

SUBMITTED BY: Mary Larson	(✓)	DATE 06/27/11
APPROVED BY:		
Building Administrator	()	
Superintendent Karen Fischer Gray	(X)	06/27/11
Director of Business & Operations Mary Larson	(x)	06/27/11

TOPIC: BOARD RESOLUTION AUTHORIZE OFFICIAL INTENT

PURPOSE OF AGENDA ITEM: [Why are you asking for Board review]:

Information ____ Policy Change _____ Action/Approval X Presentation/Special Request _____

BACKGROUND: Attachments: Y ____ N X **LIST:** RESOLUTION AGREEMENT

RATIONALE/DISCUSSION:

This authorization allows district staff to reimburse capital expenditures from the proceeds of a Qualified Zone Academy Bond (QZAB) as approved by the Parkrose School District Board of Education.

FINANCIAL IMPLICATIONS:

The loan program is made to school districts to finance renovation projects. Some of the loans are made at 0% interest with some at higher rates. Estimates for projects have been made at an interest rate of 1%.

Parkrose School District has applied for a \$15,000,000 loan for 2010 to maximize the possibility of no interest loan or a very small amount. The loan will be paid as part of the general obligation bond that voters approved May 17, 2011.

This resolution allows the district to proceed with projects using the cash flow from the Capital Projects Fund. When the QZAB funding is approved, then any funds used, will be reimbursed (or paid back) by the QZAB loan.

RELATION TO GOALS:

This resolution allows the District to proceed developing a project schedule without disruption.

ACTION REQUESTED:

Hereby resolved the Parkrose School Board of Education accept Official Intent Resolution as attached.

OFFICIAL INTENT RESOLUTION

Section 1. The PARKROSE SCHOOL DISTRICT NO. 3 School District (the "Issuer") reasonably expects to reimburse capital expenditures described herein, costs of issuance or an expenditure described in Treasury Regulation Section 1.150-2(d)(3) promulgated under the Internal Revenue Code of 1986, as amended, (the "Code") with the proceeds of either a Qualified Zone Academy Bond issued pursuant to Section 1397E of the Code or an obligation exempt from income taxation under Section 103(a) of the Code, such obligation being entered into by the Issuer (the "Reimbursement Bond").

Section 2. Except as provided in Section 7, the reimbursed expenditures have been paid not more than 60 days prior to the date of this Resolution.

Section 3. The maximum principal component of Reimbursement Bond expected to be issued is \$15,000,000.

Section 4. The expenditures with respect to which the Issuer reasonably expects to be reimbursed from the proceeds of Reimbursement Bond are for the acquisition of the property and costs.

Section 5. Except as provided in Section 7, the Issuer shall allocate on its books the Reimbursement Bond proceeds to the expenditures described herein with 18 months after the later of the date the original expenditure is paid or the date the Project is placed in service but not more than three years after the original expenditure is paid.

Section 6. The Issuer agrees that it will not use any reimbursed funds to pay debt service or to pay previously financed expenditures.

Section 7. Sections 2 and 5 shall not apply to an amount not in excess of twenty percent of the aggregate issue price that is reasonably expected to finance preliminary expenditures. Preliminary expenditures include architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

Adopted this 27th day of June, 2011.

PARKROSE SCHOOL DISTRICT NO. 3

Board Chair