

RESOLUTION EXPRESSING THE INTENT OF THE TOWN TO BE REIMBURSED FOR EXPENSES RELATING TO THE SPORTS DEVELOPMENT CENTER

MAY 6, 2025



BACKGROUND

- In 1993, the Internal Revenue Service adopted regulations concerning the use of tax-exempt financing (i.e., bonds, notes, and leases) to reimburse expenditures made prior to the date of the financing.
- A local government is required to make a formal declaration of its intent to reimburse such expenditures with the proceeds of a financing within 60 days after the date the expenditure was paid.
- The concern existed that, without regulation, a government could issue “pyramid bonds” – i.e., bonds issued to “reimburse” the government for expenditures “as old as the pyramids.”

SPORTS DEVELOPMENT CENTER

- The Town has been in negotiations with CD-Acme, LLC, the developer of the Brickyard Project, regarding the construction of the Sports Development Center.
- The Center will consist of an approximately 145,177-square foot recreation facility with associated on-site utilities, infrastructure, landscaping, and parking.
- The developer will cause the Center to be constructed in accordance with plans and specifications prepared by the Town's architect on property to be conveyed by the developer to the Town.

REASON FOR THE RESOLUTION

- The Town intends to finance approximately \$75,000,000 to pay the costs associated with constructing the Sports Development Center through the issuance of tax-exempt certificates of participation (COP's).
- It is necessary for the Town to make capital expenditures in connection with the Center prior to the issuance of the COP's, including the early procurement of construction materials that Town Council authorized by Resolution No. 2025-037.
- In order to comply with IRS Regulations, Town staff recommends that Town Council adopt a resolution expressing the Council's "official intent" to reimburse such capital expenditures.



“I MOVE TO APPROVE RESOLUTION NO. 2025-059 AS INTRODUCED BY TITLE.”

“I MOVE TO APPROVE RESOLUTION NO. 2025-059 AS INTRODUCED BY TITLE, WITH THE FOLLOWING CONDITIONS: _____.”

“I MOVE TO CONTINUE RESOLUTION NO. 2025-059 TO THE TOWN COUNCIL MEETING ON _____.”