

CITY OF CROSSVILLE, TENNESSEE

Resolution of Intent to Reimburse Expenses

WHEREAS City of Crossville, Tennessee (the “City”) is a “political subdivision” of the State of Tennessee within the meaning of 26 U.S.C. § 103 and the regulations promulgated thereunder; and

WHEREAS interest paid with respect to obligations issued by the City is generally excluded from “gross income” of the payee pursuant to 26 U.S.C. § 103, subject to the City’s compliance with other applicable provisions of the Internal Revenue Code of 1986 (as amended), 26 U.S.C. § 1 *et seq.*, and the regulations promulgated thereunder; and

WHEREAS pursuant to applicable provisions of 26 U.S.C. § 150 and subject to the limitations thereof, the City is permitted to reimburse itself, from and out of the proceeds of tax-exempt debt obligations, for certain “original expenditures,” as defined in 26 C.F.R. § 1.150-2, made in connection with the construction of capital improvements to the City’s water and wastewater systems; and

WHEREAS the City intends to acquire the necessary properties and rights in property to construct, and thereafter construct, approximately 1.5 miles of sixteen-inch water transmission line, approximately 1.3 miles of four-inch low-pressure sewer transmission line, and approximately one thousand feet of eight-inch gravity-flow sewer transmission lines in connection with utility relocation work necessitated by construction of the Tennessee Department of Transportation’s Northwest Connector Phase III road project, from the intersection of U.S. Highway 127 and Tenn. Highway 264 to the intersection of Tenn. Highway and Tenn. Highway 298 (all of the foregoing, and all expenses of any kind, character, and description arising therefrom, related thereto, or connected therewith, are collective and severally referred to as the “Northwest Connector Phase III Utility Relocation Project”); and

WHEREAS to the maximum extent permissible, the City intends to reimburse itself, from and out of the proceeds of one or more issues of obligations the interest in respect of which is exempt from inclusion in “gross income” pursuant to 26 U.S.C. § 103, all original expenditures arising from, related to, or connected with the acquisition, design, permitting, and construction of the Northwest Connector Phase III Utility Relocation Project, including “preliminary expenditures” in respect thereof, within the meaning of 26 C.F.R. § 1.150-2(f)(2),

NOW THEREFORE, BE IT AND IT HEREBY IS RESOLVED as follows:

1. Recitals.

The recitals set forth above are repeated and incorporated into this resolution as substantive material provisions hereof.

2. Intent to Reimburse.

The City intends to reimburse to itself, from and out of the proceeds of one or

more issues of obligations the interest in respect of which is excluded from “gross income” pursuant to 26 U.S.C. § 103, all original expenditures arising from, related to, or connected with the acquisition, design, permitting, and construction of the Northwest Connector Phase III Utility Relocation Project, including “preliminary expenses” in respect thereof, within the meaning of 26 C.F.R. § 1.150-2(f)(2).

3. Amount of Tax-Exempt Issue.

The City expects that the total expenses of the Northwest Connector Phase III Utility Relocation Project, inclusive of preliminary expenses, will not exceed Four Million Dollars (\$4,000,000). The City contemplates that all or substantially all of the expenses of the Northwest Connector Phase III Utility Relocation Project will be paid from the proceeds of one or more obligations to be issued by the City, the interest payable in respect of which obligations will be excluded from gross income for purposes of federal income taxation pursuant to 26 U.S.C. § 103.

4. Reimbursement Allocation.

The City anticipates that all expenses to be reimbursed pursuant to 26 U.S.C. § 150 shall be reimbursed, and the proceeds from any debt issue(s) allocated thereto for such purposes, prior to the completion of the Northwest Connector Phase III Utility Relocation Project, and in all events prior to the last date on which such reimbursement may be made as provided by 26 C.F.R. § 1.150-2(d)(2)(iii).

ADOPTED, this ____ day of _____, 2020.

Mayor

APPROVED AS TO FORM:

WHITE & REGEN, PLC

By: _____
Benjamin C. Regen
465 Henslee Drive Unit C-1
P. O. Box 190
Dickson, Tennessee 37056-0190