

**PORT OF GALVESTON
REQUEST FOR DISCUSSION**

BUSINESS ITEM

SUBJECT: Discuss and Consider Adoption of Reimbursement Resolution to Reimburse Cash Fund Expenditures with Bond Funds in the Event of a Subsequent Bond Issue By The Galveston Wharves

DISCUSSION: This item was placed on the agenda for Trustee discussion and consideration.

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RESOLUTION OF THE BOARD OF TRUSTEES OF THE GALVESTON WHARVES

WHEREAS, the **BOARD OF TRUSTEES OF THE GALVESTON WHARVES** (the "Board") is a utility of the City of Galveston and a political subdivision of the State of Texas, pursuant to Article XII of the City Charter of the City of Galveston and Chapter 54 of the Texas Transportation Code, and is legally authorized to issue debt obligations for authorized purposes, which may include qualified tax credit bonds or obligations the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations"), pursuant to the Internal Revenue of 1986, as amended (the "Code"), or both; and

WHEREAS, the Board will make payments for the Pier 10 Parking Project (defined below), although no such payments have been made sixty (60) date prior to the date hereof; and

WHEREAS, under 26 CFR § 1.150-2, to fund such reimbursement with proceeds of tax-exempt obligations, the Board must declare its expectation to make such reimbursement; and

WHEREAS, the Board desires to preserve its ability to reimburse itself for the costs associated with the Pier 10 Parking Project (defined below) from the proceeds of qualified tax credit bonds or tax-exempt obligations, or both, to be issued subsequent to the date hereof;

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE GALVESTON WHARVES, AS FOLLOWS:

RESOLVED, that the **BOARD OF TRUSTEES OF THE GALVESTON WHARVES** (the "Board") reasonably expects to make capital expenditures after the date of this Resolution in connection with the construction of a new Parking Facility Development at Pier 10 (No. 2022-001) (the "Pier 10 Parking Project"), and the Board intends to reimburse itself for such expenditures with the proceeds of qualified tax credit bonds or tax-exempt obligations, or both, to be issued subsequent to the date hereof.

RESOLVED FURTHER, that the Board reasonably expects that the maximum principal amount of qualified tax credit bonds or tax-exempt obligations, or both, issued to reimburse the Board for cost incurred with expenditures for completion of the Pier 10 Parking Project will not exceed \$7,679,555.84, and such obligations may be issued in one or more series.

RESOLVED FURTHER, that unless otherwise advised by legal counsel, any reimbursement allocation will be made not later than 18 months after the later of (1) the date the original expenditure is paid or (2) the date on which the expenditure is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

RESOLVED FURTHER, this Resolution shall be effective immediately upon adoption.

ADOPTED April 19, 2022.

I hereby certify that the foregoing resolution was adopted and approved by the Board of Trustees at its Regular Monthly Meeting held on _____, 2022.

Harry Maxwell
Chairman,
Board of Trustees of the
Galveston Wharves