

The City Council met in special session at the hour of 1:00 p.m. in the Council Chamber, City Hall, on the day above written.

Present:	Andreas Borgeas	Councilmember
	Lee Brand	Councilmember
	Henry Perea	Councilmember
	Larry Westerlund	Acting Council President
	Blong Xiong	Councilmember
	Cynthia Sterling	Council President
Absent:	Mike Dages	Councilmember

Andy Souza, City Manager
Bruce Rudd, Assistant City Manager
Jim Sanchez, City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

President Sterling led the Pledge of Allegiance.

(‘A’) RESOLUTION NO. 2009-195 - DECLARING OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS FOR EXPENSES INCURRED RELATED TO THE ACQUISITION OF PROPERTIES FROM THE FRESNO METROPOLITAN MUSEUM OF ART AND SCIENCE AND THE GRANITE PARK KID’S FOUNDATION, IN AN AMOUNT NOT TO EXCEED \$25 MILLION

Interim Finance Director Bradley reviewed the issue and recommended approval, all as contained in the staff report as submitted, and along with City Manager Souza responded to questions and/or comments of Councilmembers Borgeas, Brand and Westerlund and/or clarified issues relative to the \$15 million for the Met, \$5 million for Granite Park and what the remaining funds would be used for, amount anticipated for debt issuance costs, if a deadline was the reason for this special meeting, when the guarantees were made, if there were no other alternatives to this transaction, market and bond terms, the annual debt service and if a bond with no pre-payment penalty would be a better strategy, if there would be a partial reconveyance on the bond financing if some of The Met parcels sell, appraisals and collateral/bond security, new market tax credits and time line, the June 30th time line and if a liability could be created if more time is needed, if the \$1.7 million annual debt service includes all costs (bond counsel/going to market), today’s action being procedural as decisions were previously made, the transaction providing for flexibility, and the Granite Park time line and Granite Park being rolled into this transaction for convenience. Mr. Souza added the potential of variable rate bonds and the trade-off was an option that was “kicked around internally”, the fundamental premise here was that these were two unique transactions and staff would probably not come back with the traditional municipal financing, and staff had nine months to come back with a workout plan and financing to pay these two notes by June 30th, explaining throughout. Upon questions of President Sterling Ms. Bradley confirmed with approval of this transaction the city of Fresno would now be in charge and deal with any interest/action on The Met and Granite Park and if this reimbursement resolution is not adopted the city would eliminate the ability to issue tax-exempt debt financing which would be more costly to the city.

On motion of Councilmember Brand, seconded by Acting President Westerlund, duly carried, RESOLVED, the above entitled Resolution No. 2009-195 hereby adopted, by the following vote:

Ayes	:	Borgeas, Brand, Perea, Westerlund, Xiong, Sterling
Noes	:	None
Absent	:	Dages

Mr. Souza thanked Council for taking this time out of their schedules to attend this meeting.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 1:25 p.m. having arrived and hearing no objection, President Sterling declared the meeting adjourned.

Approved on the ___17th___ day of ___September_____, 2009.

_____/s/_____
ATTEST _____/s/_____

Cynthia Sterling, Council President

Yolanda Salazar, Assistant City Clerk