

RESOLUTION NO. 13-17

A RESOLUTION OF THE CITY OF SCAPPOOSE, COLUMBIA COUNTY, OREGON AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN OR SIMILAR FINANCING AGREEMENT.

WHEREAS, the City Council (the “Council”) of the City of Scappoose, in Columbia County, Oregon (the “City”) has deemed it necessary and advisable to finance the costs of a sewer line replacement (the “Project”) and paying Project costs through a loan or similar financing agreement (the “Agreement”); and

WHEREAS, the City desires to enter into a loan or similar financing agreement in an aggregate principal amount not to exceed \$700,000; and

WHEREAS, the City is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes Section 271.390 to enter into such agreements to finance real and personal property projects; and

WHEREAS, the City anticipates incurring expenditures (the “Expenditures”) to finance the costs of the Project, described herein, and wishes to declare its official intent to reimburse itself for any Expenditures it may make from its available funds on the Project from the proceeds of the Agreement, the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Council has determined that those moneys advanced to pay the Expenditures prior to the issuance of the Agreement are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the Agreement.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. Authorization. The City hereby authorizes the Mayor or City Manager, (each an “Authorized Representative”) on behalf of the City and without further action by the Council, to negotiate the terms of the Agreement, in an aggregate principal amount not to exceed \$700,000, with one or more banks or other financial institutions or vendors, to further select and delineate the particulars of the Project, and to execute and deliver the Agreement and any related documentation necessary to carry out this Resolution to complete the financing.

The estimated weighted average life of the Agreement does not exceed the dollar weighted average life of the Project being financed with the Agreement, as required by ORS 271.390. The City hereby determines that the Project is needed for City purposes.

2. Security. The City's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the City, including all unobligated revenues in the City's general fund and any other funds which may be

available for that purpose, are hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements.

3. Declaring Intent to Reimburse Expenditures. The City hereby declares its official intent pursuant to Treasury Regulation Section 1.150-2 to reimburse itself for Expenditures of the Project paid prior to the issuance of the Agreement with proceeds of the Agreement.

4. Maintenance of Tax-Exempt Status. The City covenants not to take any action or omit any action if the taking or omission would cause interest paid pursuant to the Agreements to be includable in gross income for federal income tax purposes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Authorized Representative may enter into additional covenants on behalf of the City to protect the tax-exempt status of interest which is payable under the Agreements.

5. Appointment of Special Counsel. The Council appoints the law firm of Hawkins Delafield & Wood LLP of Portland, Oregon as Special Counsel for the purpose of assisting in the preparation and execution of the Agreement and related documentation necessary to carry out this Resolution and to complete the financing.

ADOPTED by the City Council of the City of Scappoose, Columbia County, Oregon this 21st day of October, 2013.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

By: Scott Burge
Scott Burge, Mayor

ATTEST:

By: Susan M. Reeves
Susan M. Reeves, MMC, City Recorder