URBAN RENEWAL AGENCY OF THE CITY OF BROOKINGS

RESOLUTION 13-R-1019

A RESOLUTION OF THE BROOKINGS URBAN RENEWAL AGENCY AUTHORIZING FULL FAITH AND CREDIT BORROWINGS TO REFINANCE AN OUTSTANDING URBAN RENEWAL OBLIGATION OF THE AGENCY.

WHEREAS, the Brookings Urban Renewal Agency, Oregon (the "Agency") is authorized by Oregon Revised Statutes Section 271.390 and 457.190 to enter into financing agreements to finance or refinance real or personal property which the Board determines is needed; and,

WHEREAS, the Agency previously borrowed money from US Bank to finance infrastructure improvements, approximately $2.7 million of that borrowing is currently outstanding, and current market conditions allow the Agency to reduce its debt service expense by refinancing that borrowing; and,

WHEREAS, the outstanding borrowing from US Bank (the "US Bank Borrowing") is currently paid from tax increment revenues;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Brookings Urban Renewal Agency that:

1. Authorization of Financing Agreements.

1.1 The City is hereby authorized to enter into one or more financing agreements pursuant to ORS 271.390 and ORS Chapter 287A to refinance all or any portion of the real property and personal property that was financed with US Bank Borrowing. The net proceeds of the financing agreements that refinance this property shall not exceed the amount estimated to be required to pay the principal amount of the US Bank Borrowing, accrued interest through the date the US Bank Borrowing is paid, and costs of the refinancing.

1.2 The financing agreements authorized by this Section 1 are referred to in this Resolution as the "Financing Agreements."

1.3 Designation of Note as "Qualified Tax Exempt Obligation." - The Agency has determined and certifies that (a) the Note is not a "private activity bond" within the meaning of Section 141 of the Code; (b) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) which the Agency and any entity subordinate to the Agency(including any entity that the Agency controls, that derives its authority to issue tax-exempt obligations from the Agency, or that issues tax-exempt obligations on behalf of the Agency) will issue during the calendar year in which the Note is issued will not exceed $10,000,000; and (c) the amount of tax-exempt obligations, including the Note, designated by the Agency as "qualified tax-exempt obligations" for the purposes of

Section 265(b)(3) of the Code during the calendar year in which the Note is issued does not exceed $10,000,000. The Agency designates the Note as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code.

2. Determination of Need.

The City hereby determines that the Improvements and the projects financed with the US Bank Borrowing are needed.

3. Delegation.

The Executive Director and the Finance and Human Resources Director (each of whom is referred to in this resolution as a "Agency Official") may, on behalf of the Agency and without further action by the Board:

3.1 Negotiate, execute and deliver one or more escrow agreements or similar documents (the "Escrow Agreements") that provide for the issuance of one or more series of "certificates of participation" or "full faith and credit obligations" (the "Obligations") that represent ownership interests in the loan payments due from the Agency under the Financing Agreements. Subject to the limitations of this resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the Agency Official may approve.

3.2 Select one or more commercial banks with which to negotiate and execute each Financing Agreement, solicit competitive bids for the purchase of each series of the Obligations and award their sale to the bidder offering the most favorable terms to the Agency, or negotiate the terms of the sale of each series of Obligations to an underwriter, and sell that series to the underwriter.

3.3 Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations, and enter into agreements to provide continuing disclosure for owners of each series of Obligations.

3.4 Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

3.5 Take any actions required to prepay or defease the US Bank Borrowing.

3.6 Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.

3.7 Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of each Financing Agreement. Subject to the limitations of this resolution, each Financing Agreement may be in such form and contain such terms as the Agency Official may approve.

3.8 Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements.

3.9 Secure any Financing Agreement with all or any portion of the revenues of the Agency's tax increment revenues, and pledge those revenues to repay that Financing Agreement.

3.10 Covenant to collect water system revenues in amounts sufficient to pay any Financing Agreement that is secured by those revenues.

3.11 Covenant to limit the Agency's ability to issue future obligations that are secured by the Agency's tax increment revenues.

3.12 Agree to make deposits to debt service accounts for Financing Agreements up to thirteen months before the payments are required to be made to investors.

3.13 Covenant for the benefit of the banks providing the Financing Agreements or the owners of Obligations to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Financing Agreements to be excluded from gross income for federal income tax purposes or issue the Financing Agreements as taxable borrowings.

3.14 Determine that interest on any Financing Agreement will be includable in gross income under the Code.

3.15 Designate each Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable.

3.16 Execute and deliver any other certificates or documents and take any other actions which the Agency Official determines are desirable to carry out this resolution.

4. Security.

Each Financing Agreement shall constitute an unconditional obligation of the Agency, which is payable from all legally available funds of the Agency. The Agency Official may pledge the Agency's full faith and credit and taxing power within the limitations of Section 1c of Article IX of the Oregon Constitution. In addition, the Agency Official may secure the Financing Agreements with revenues of the Agency as provided in Section 3.

Passed by the Board July 22, 2013 and made effective the same date.

Ron Hedrick
Chair

Attest:
Recorder