

RESOLUTION NO. 974

A RESOLUTION OF THE CITY OF CANBY AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO AN INTERIM LOAN CONTRACT AND A PERMANENT LOAN CONTRACT WITH THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

WHEREAS, The City Council (the "Governing Body") of the City of Canby (the "Municipality") finds:

- A. The Municipality is a "municipality" within the meaning of Oregon Revised Statutes 285B.410(7).
- B. Oregon Revised Statutes 285B.410 through 285B.479 (the "Act") authorize any municipality to file an application with the Oregon Economic and Community Development Department ("the Department") to obtain financial assistance from the Special Public Works Fund.
- C. The Municipality has filed an application with the Department to obtain financial assistance for an "infrastructure project" within the meaning of the Act.
- D. The Department has approved the Municipality's application for financial assistance from the Special Public Works Fund pursuant to the Act.
- E. The Department is not able to provide long-term, permanent financial assistance prior to the date the Municipality needs funds to begin construction of the project, as determined below, but is able to provide interim financing for the Municipality's commencement of construction.
- F. The Department intends to provide long-term, permanent financial assistance prior to the maturity date on the interim financing to allow the Municipality to complete construction and to repay the interim financing loan.
- G. The Municipality is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Loan Agreement with the Department.
- H. The project described in Exhibit A attached hereto (the "Project"), is an "infrastructure project" within the meaning of the Act which is needed by and is in the public interest of the Municipality.
- I. Notice relating to the Municipality's consideration of the adoption of this Resolution was published in full accordance with the City of Canby's laws for public notification.

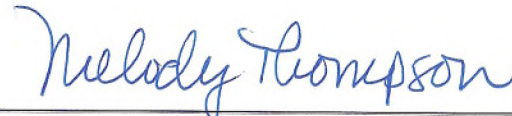
NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Canby as follows:

1. Interim Financing Loan Authorized. The Governing Body authorizes the City Administrator to execute the Financial Assistance Award Contract, Interim Financing Loan Agreement, the Promissory Note and such other documents as may be required to obtain financial assistance including an interim financing loan from the Department on the condition that the principal amount of the interim financing loan from the Department to the Municipality is not in excess of \$2,720,000.00 and the interest rate is a percent deemed reasonable by the City Administrator and in the best interest of the City of Canby. The proceeds of the interim financing loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Interim Loan Agreement.
2. Permanent Loan Authorized. The Governing Body authorizes the City Administrator to execute the Financial Assistance Award Contract, Loan Agreement, Promissory Note and such other documents as may be required to obtain financial assistance including a permanent financing loan from the Department on the condition that the principal amount of the permanent loan from the Department to the Municipality is not in excess of \$2,720,000.00 plus an amount sufficient to pay interest accrued on the Interim Financing Loan, and the interest rate is a percent deemed reasonable by the City Administrator and in the best interest of the City of Canby. The proceeds of the permanent financing loan from the Department shall be applied solely to repayment of the interim financing loan and the "Costs of the Project" as such term is defined in the Loan Agreement.
3. Security. Amounts payable by the Municipality shall be payable from the sources described in the Oregon Revised Statutes Section 285B.437(3) which include:
 - (a) The revenues of the project, including special assessment revenues;
 - (b) Amounts withheld under ORS 285B.449(1);
 - (c) The general fund of the municipality; or
 - (d) Any other source.
4. Additional Documents. The City Administrator is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the Department for the Project pursuant to the Financial Assistance Award Contract and the Loan Agreement.
5. Tax-Exempt Status. The Municipality covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Municipality pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The City Administrator, Mark C. Adcock, of the Municipality may enter into covenants on behalf of the Municipality to protect the tax-exempt status of the interest paid by the Municipality pursuant to the Loan Agreement and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or their bond counsel to protect the tax-exempt status of such interest.

6. Reimbursement Bonds. The Municipality may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the Municipality understands that the Department may fund or reimburse itself for the funding of amounts paid to the Municipality pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Resolution shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the Municipality's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.
7. Declaration of Emergency. The Governing Body declares than an emergency exists in order that there be no delay in financing the Project as provided in this Resolution. Therefore, this Resolution shall be in force and effect from and after passage by the Governing Body.

DATED this 7th day of May, 2008

CITY OF CANBY



Melody Thompson Mayor

ATTEST:



Kimberly Scheafer, CMC
City Recorder pro-tem

PROJECT DESCRIPTION

Borrower will design, construct and extend S. Sequoia Parkway, make half-street improvements to S. Township Road, and extend S. Berg Parkway and related infrastructure in the vicinity of the Pioneer Industrial Park in southeastern Canby. Borrower will perform the following work:

1. Extend S. Sequoia Parkway from its current terminus at the intersection of SE 4th Avenue by approximately 1200 lineal feet south to the intersection of S. Township Road (Stage 5) and another approximately 625 feet south of S. Township Road (Stage 6) as a paved, 50-foot wide surface configured as a three-lane collector and two bike lanes. The Borrower must also acquire right-of-way for S. Sequoia Parkway Stages 5 and 6. In connection with the construction of the paved roadway, the Borrower must also install sanitary sewer, water, storm drainage, and electrical services along the new roadway and in the public right-of-way. Borrower will provide trenching and backfill for telephone, gas, and cable services.
2. Provide half street improvements to the existing S. Township Road on the north side for approximately 750 lineal feet as a paved 25-foot wide surface with curbs that is configured - including the half-street improvements to be completed by American Steel Company on the south side as a part of its development - to include two 11-foot travel lanes, two 5-foot bike lanes, and a 13-foot striped median. In connection with construction of the paved roadway, the Borrower must also install water, storm drainage and electrical services along the roadway and in the public right-of-way. Borrower will provide trenching and backfill for telephone, gas, and cable services.
3. Extend S. Berg Parkway near Highway 99E approximately 1600 feet southward and eastward to connect with SE 13th Avenue largely as a paved 40-foot wide surface (full street construction) that is widened to a 48-foot wide surface (half street construction) in the vicinity of Highway 99E to include two travel lanes and two bike lanes. In connection with construction of the paved roadway, the Borrower must also install sanitary sewer, water, storm drainage, and electrical services along the new roadway and in the public right-of-way. Borrower will provide trenching and backfill for telephone, gas, and cable services.

Project Closeout Obligations:

1. The Borrower will submit a final Project report, on the format provided by the State, by December 31, 2010.
2. The contents of this final report will include certification by the Borrower that all conditions set forth in the Loan Agreement have been satisfied, construction has been completed, and all Project expenditures have occurred.
3. Borrower's final Project report is subject to review and approval by the State.