

**A RESOLUTION OF THE CITY OF LEBANON)
AUTHORIZING REFUNDING OF A LOAN FROM)
THE SPECIAL PUBLIC WORKS FUND WITH)
THE OREGON INFRASTRUCTURE FINANCE)
AUTHORITY**

RESOLUTION NO. 2018-6

WHEREAS, The City Council (the “Governing Body”) of the City of Lebanon (the “Recipient”) finds:

A. The Recipient is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9).

B. Pursuant to Oregon Revised Statutes 285B.410 through 285B.482 (the “Act”), the Recipient obtained a loan (the “Loan”) in the principal amount of \$1,837,684 from the Oregon Infrastructure Finance Authority of the Business Development Department (“the Department”) through the Special Public Works Fund for the financing of a “development project” within the meaning of the Act by entering into a Loan Agreement Project Number B07002 with the Department dated 15 April 2009 (the “Loan Agreement”) and executing a Promissory Note dated 8 April 2009 (the “Note”) representing the amounts due under the Loan.

C. The Department funded the Loan, in part, through the issuance of Oregon Bond Bank Revenue Bonds (the “State Bonds”) and passed the interest rates on the State Bonds through to the Loan, which are reflected in the Note.

D. Under current market conditions, refunding all or a portion of the outstanding State Bonds may produce debt service savings for the borrowers whose loans were funded by the State Bonds, including the Recipient.

E. The Recipient wishes to participate in the State’s refunding of the State Bonds in order to achieve debt service savings on the outstanding Loan.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LEBANON:

Section 1. Refunding Authorized. The Governing Body authorizes the City Manager, or person designated by the City Manager to act on behalf of the Recipient (the “Authorized Officer”), to amend the Note by executing a revised payment schedule to the Note pursuant to Section 4 of the Loan Agreement (the “Amended Note”) and such other documents as may be required to refund the Loan to achieve debt service savings.


Section 2. Security. Amounts due to the Department pursuant to the Loan Agreement and the Amended Note shall continue to be secured by a pledge as provided in Section 7 of the Loan Agreement.

Section 3. Additional Documents. The Authorized Officer is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to refund the Loan.

Section 4. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Loan, as refunded and amended by the Amended Note, not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Authorized Officer may enter into covenants on behalf of the Recipient to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Loan, as refunded and amended by the Amended Note, 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.

Passed by the Lebanon City Council and executed by the Mayor on this 14th day of March, 2018 by a vote of 6 yeas and 0 nays.

CITY OF LEBANON, OREGON



Paul R. Aziz, Mayor
Bob Elliott, Council President

ATTESTED BY:



Linda Kaser, City Clerk