

RESOLUTION NO. 2071

Introduced by: All Commissioners

AUTHORIZING THE CITY OF WARRENTON TO ENTER INTO A LOAN FROM
THE WATER/WASTEWATER FINANCING PROGRAM
BY ENTERING INTO A LOAN CONTRACT
WITH THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT
DEPARTMENT

WHEREAS, the City Commission of the City of Warrenton finds:

- A. The City of Warrenton is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(4).
- B. Oregon Revised Statutes 285B.560 through 285B.599 (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 Water Fund.
- C. The City of Warrenton has filed an application with the Department to obtain financial assistance for a “water project” within the meaning of the Act.
- D. The Department has approved the City of Warrenton’s application for financial assistance from the Water Fund pursuant to the Act.
- E. The City of Warrenton 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 in substantially the form attached hereto as Exhibits “A” and “B.”
- F. The project described in Exhibit “A” to the Loan Agreement (the “Project”) is a “water project” within the meaning of the Act which is needed by and is in the public interest of the City of Warrenton.
- G. Notice relating to the City of Warrenton’s consideration of the adoption of this Resolution was published at least once in a newspaper of general circulation within the City of Warrenton. Such notice was published at least 14 days in advance of the adoption of this Resolution.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Warrenton as follows:

- 1. Loan Authorized. The Governing Body authorizes the Mayor to execute the Financial Assistance Award Contract, Loan Agreement, the Promissory Note attached as Exhibit “F” to the Loan Agreement (the “Financing Documents”) and such other documents as may be required to

obtain financial assistance including a loan from the Department on the condition that the principal amount of the loan from the Department to the City of Warrenton is not in excess of \$506,000 and the interest rate is a percent deemed reasonable by the Mayor and in the best interest of the City of Warrenton. The proceeds of the loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Loan Agreement.

2. Security. Amounts payable by the City of Warrenton shall be payable from the sources described in Section 2.07 of the Loan Agreement and the Oregon Revised Statutes Section 285B.581(2) which include:

- a. any sources of funds that are legally available to the City of Warrenton,
- b. the revenues, if any, of the Project, including special assessment revenues, if any, and
- c. the City of Warrenton's general fund including the general revenues of the City of Warrenton or other funds which may be available for such purpose and a pledge of the City of Warrenton's taxing power within the restrictions of Article XI, Section 11 and 11b of the Constitution of the State of Oregon. The obligation of the Municipality to make payments pursuant to the Loan Agreement is a full faith and credit obligation of the City of Warrenton to make payments pursuant to the Loan Agreement is a full faith and credit obligation of the City of Warrenton that is not subject to annual appropriation.

3. Additional Documents. The Mayor 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.

4. Tax-Exempt Status. The City of Warrenton covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the City of Warrenton 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 Mayor of the City of Warrenton may enter into covenants on behalf of the City of Warrenton to protect the tax-exempt status of the interest paid by the City of Warrenton 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.

5. Reimbursement Bonds. The City of Warrenton may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the City of Warrenton understands that the Department may fund or reimburse itself for the funding of amounts paid to the City of Warrenton 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 City of Warrenton's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

This Resolution shall be in force and effect as of September 24, 2003.

PASSED by the City Commission of the City of Warrenton this 24th day of September, 2003.


APPROVED by the Mayor of the City of Warrenton this 24th day of September, 2003.

Approved:



Jeff Hazen, Mayor

Attest:



Scott Derickson, City Manager