

Resolution No. 2001-999

A RESOLUTION APPROVING THE REFINANCING OF THE CITY'S 1998 FINANCING AGREEMENT AND AN ADDITIONAL BORROWING FOR RECREATION CENTER IMPROVEMENTS AND PARK PROJECTS AND SUPERSEDING THE REQUIREMENT FOR A 10 YEAR PAYBACK AS STIPULATED IN RESOLUTION 98-731, Section 1 (2).

WHEREAS, the City is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance and refinance real or personal property which the City Council determines is needed; and,

WHEREAS, the City entered into a \$1,500,000 financing agreement in 1998 to finance a portion of the costs of the city's recreation center; and,

WHEREAS, the City plans to construct improvements to the recreation center or City park projects having a cost of approximately \$500,000; and,

WHEREAS, the City Council hereby determines that the existing recreation center facilities, the proposed recreation center improvements and the proposed park projects are needed, and that it is desirable to finance and refinance those facilities, improvements and projects pursuant to ORS 271.390; and,

WHEREAS, the recreation center is operated by the Young Men's Christian Association of Columbia-Willamette, and the recreation center financings authorized by this resolution will be "qualified 501(c)(3) bonds" under Section 145 of the United States Internal Revenue Code of 1986, as amended (the "Code"), and those financings must be approved by the City Council after notice has been given and a hearing has been held in accordance with Section 147(f) of the Code; and,

WHEREAS, the City has published notice and the City Council held a hearing on this date regarding up to \$2,000,000 of financing for the recreation center in accordance with Section 147(f) of the Code; now, therefore, it is hereby

RESOLVED AS FOLLOWS:

Section 1. Approval of financing.

After considering any testimony at the public hearing held on this date regarding the financing and refinancing of the recreation center authorized by this resolution, the City Council hereby approves those financings pursuant to Section 147(f) of the Code.

Section 2. Authorization and Delegation.

The Acting City Manager or the City Finance Director (collectively the "City Official") are hereby authorized, on behalf of the City and without further action by the City Council, to:

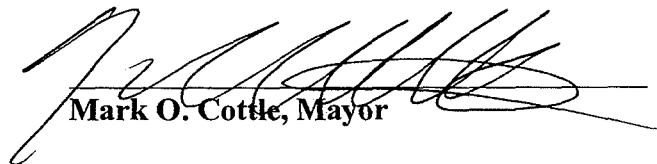
- (1) Refinance the 1998 financing agreement and finance \$500,000 of improvements to the recreation center or city park projects under the authority of ORS 271.390. The principal amount of the these financings shall not exceed \$2,000,000. The City may transfer the reserve for the 1998 financing agreement to the City's general fund once the 1998 financing agreement is paid.
- (2) Determine the final principal amount, interest rates, prepayment rights and all other terms of the financing;
- (3) Negotiate, execute and deliver a financing agreement with a commercial bank (the "Loan Agreement") for the purposes described in this resolution. Subject to the limitations of this resolution, the Loan Agreement may be in such form and contain such terms as the City Official may approve.
- (4) Covenant for the benefit of the lender to comply with all provisions of the Code which are required for the interest paid under the Loan Agreement to be excluded from gross income for federal income tax purposes.
- (5) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

Section 3. Security.

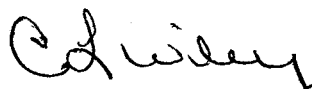
The Loan Agreement shall constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. The City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and any and all of the City's legally available funds, to make the payments due under the Loan Agreement.

DATED this 11th day of December, 2001.

**City of Sherwood
Washington County, Oregon**


Mark O. Cottle, Mayor

Attest:



C.L. Wiley, City Recorder