



## **Resolution 2004-079**

### **A RESOLUTION AUTHORIZING AN INTERFUND LOAN FROM THE SANITARY SEWER FUND TO THE GENERAL FUND TO PURCHASE LAND AND BUILDINGS**

**WHEREAS**, land herein referred to as the cannery site is available for purchase and is critical to the redevelopment of Old Town Sherwood; and

**WHEREAS**, the City intends to acquire the property, make certain improvements, and sell it for redevelopment; and

**WHEREAS**, the least-cost method of financing the purchase is to use funds on hand but not needed immediately for the purpose for which they are intended; and

**WHEREAS**, the Capital Improvement Plan in the 2004-05 adopted budget does not include any use of Sanitary Sewer regional reimbursement System Development Charges (SDCs) in the next five years; and

**WHEREAS**, interfund loans are lawful if authorized by the City Council per ORS 294.460;

**WHEREAS**, interfund loans for capital purposes must be repaid within five years.

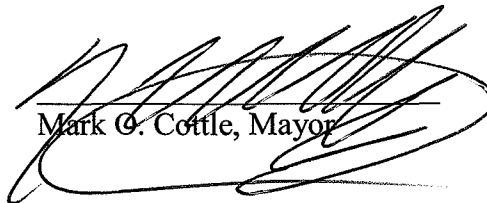
#### **NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:**

**Section 1.** The Sanitary Sewer Fund shall loan up to \$1,800,000 in Regional Sewer Reimbursement SDCs to the General Fund to be used for the purchase of the cannery site.

**Section 2.** Such loan shall bear interest at the rate earned on the City's investment in the Local Government Investment Pool at the last effective date preceding September 14, 2004. Principal shall be repaid when any portion of the land is sold and in the amount of the net proceeds from the sale, providing that all principal shall be fully paid on or before September 14, 2009. Interest on the outstanding balance shall be paid annually on September 14, beginning on September 14, 2005.

**Section 2:** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 14th day of September 2004.**

  
Mark G. Cottle, Mayor

ATTEST:

  
C.L. Wiley, City Recorder