



## **Resolution No. 2006-042**

### **A RESOLUTION APPROVING A ONE OR MORE FINANCING AGREEMENTS FOR COSTS OF URBAN RENEWAL PROJECTS.**

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

**WHEREAS**, the City Council hereby determines that a railroad crossing and related street improvements within the city's urban renewal area (the "Urban Renewal Projects") are needed; and,

**WHEREAS**, the costs of financing the Urban Renewal Projects are expected to be paid by the City's urban renewal agency from tax increment revenues; and,

**WHEREAS**, the City is willing to commit its full faith and credit to secure its borrowings for the Urban Renewal Projects;

### **NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

#### **Section 1. Financing Agreement Authorized.**

The City is hereby authorized to enter into one or more financing agreements in an aggregate principal amount of not more than \$1,800,000 and to enter into one or more notes to evidence the amounts due under the financing agreements (collectively, the "Financing Agreements"). Proceeds of the Financing Agreements shall be used to pay for costs of the Urban Renewal Projects and to pay costs associated with the Financing Agreements. The City Manager or the City Finance Director (each of whom is referred to as a "City Official" in this resolution) are hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Determine the final principal amount, interest rates, prepayment rights and all other terms of the Financing Agreements.
- (2) Negotiate, execute and deliver the Financing Agreements to Bank of America, N.A. (the "Bank") for the purposes described in this resolution. Subject to the limitations of this resolution, the Financing Agreements may be in such form and contain such terms as the City Official may approve.


- (3) Covenant to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, (the "Code") so that interest on the Financing Agreement is excludable from gross income under the Code and to provide that the interest on one or more or part of a Financing Agreement is includable in gross income under the Code.
- (4) Designate one or more of the Financing Agreements as "qualified tax-exempt obligations" under Section 265 of the Code.
- (5) Enter into one or more intergovernmental agreements with the Urban Renewal Agency of the City of Sherwood that obligates the agency to pay to the City the amounts the City will be required to pay to the Bank under the Financing Agreements for costs of the Urban Renewal Projects.
- (6) 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 2. Security.**

The Financing Agreements shall constitute unconditional obligations of the City, which shall be 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 Financing Agreements.

DATED this 18 day of July, 2006.

**City of Sherwood  
Washington County, Oregon**

  
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**Keith Mays, Mayor**

Attest:

  
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**Sylvia Murphy, City Recorder**