



Oregon

Oregon Department of Transportation

Financial Services – MS 21

355 Capitol ST. NE

Salem, OR 97301-3871

Office Phone: 503-986-6376

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June 2, 2022

Anne Heath
City of Coburg
PO Box 8316
Coburg, OR 97408

Re: Oregon Transportation Infrastructure Bank Loan – Commitment Letter
Coburg Street Repair and Maintenance Project

Dear Ms. Heath:

I am pleased to inform you that on May 31, 2022 the State of Oregon, acting by and through the Department of Transportation (the “State”), on behalf of the Oregon Transportation Infrastructure Bank, approved a loan (the “Loan”) from the Oregon Transportation Infrastructure Fund to the City of Coburg, (the “City”) on the following terms and conditions:

Project: Coburg Street Repair and Maintenance Project

Loan Amount: Nine hundred ninety-nine thousand five hundred dollars (\$999,500)

Interest Rate: The annual interest rate on the Loan is Two and 52/100 percent (2.52%). This rate is based on an equivalent 10 year bond with an average life of 7 years and is the rate per annum of the 7 year, AA Rated, Municipal Market Data index as of June 1, 2022. Interest shall be calculated on the basis of a 360-day year, consisting of twelve (12), thirty (30) day months.

Payment Terms: Equal annual payments of principal and interest, estimated at \$114,000 each, commencing September 1, 2023. The actual payments shall be calculated so that they are level, and each payment includes all unpaid accrued interest and so much of the principal as is sufficient to fully amortize the Loan amount set forth above by the maturity date of the Loan. The first payment may be adjusted so all accrued unpaid interest to the first payment date is included. The maturity date of the Loan is ten (10) years from the date of final disbursement of the Loan, or September 1, 2032, whichever date is earlier.

**Sources of
Repayment
and Pledge:**

The City pledges:

1) Full Faith & Credit of City of Coburg. “Full Faith & Credit of City of Coburg” means an obligation of City of Coburg that is secured by all “lawfully available funds” (as defined in ORS 287A.001(11)) of City of Coburg.

2) The Loan shall be payable from any funds legally available to the City. Legally available funds include, but are not limited to City's:

- General Fund
- Highway User Tax Apportionment
- Local Fuel Tax
- System Development Charges
- Transportation Utility Fees

Loan Fee: A Loan Fee equal to one percent (1%) of the Loan. City's Loan Fee of \$9,995 is due at Loan closing.

The obligation of the State to make the Loan is subject to the following conditions:

1. There has been no material adverse change in the financial, or any other, condition of the City since the Loan application was filed. The State shall be under no duty or obligation to process and fund the Loan if the financial condition and credit standing of the City are not maintained in a manner satisfactory to the State.
2. All information, data, exhibits and other materials submitted in connection with the Loan and all other representations made by or on behalf of the City to the State shall be accurate and complete. If any of this information, data, exhibits or other materials is determined by the State to be materially inaccurate or incomplete, the State shall have no obligations hereunder. This provision shall survive the closing of the Loan.
3. There is sufficient money in the Oregon Transportation Infrastructure Fund available to fund the Loan.
4. City shall deliver to the State the following, all in form and substance satisfactory to the State and its counsel:
 - a. Execution and delivery of documents required by the State and containing such terms and conditions as the State deems necessary and prudent. These documents may include but are not limited to a loan agreement, promissory note, and local agency agreement.
 - b. A copy of the resolution, duly adopted by the City Council/Board of Commissioners/Board of Directors, authorizing this Loan, the pledge and execution of the Loan documents, which copy of ordinance/resolution shall be certified by an authorized officer of the City.
 - c. Opinion(s) of the counsel(s) for the City.

Once we receive your acceptance of this commitment letter, we will be submitting loan documents to the Attorney General's office for review. We will forward them to you for your review once they have been approved.

DISCLAIMERS

The State of Oregon, acting by and through the Department of Transportation, may **not**:

- A. Act as your attorney, engineer, or financial or tax consultant.
- B. Guarantee you are making a good investment.
- C. Insure that any project is safe, feasible, or operable.
- D. Compel a contractor or engineer to remedy defects in construction or to live up to any contracts they may make with you.
- E. Guarantee the confidentiality of application or loan files. ORS 192.501 and 192.502 define material exempt from public disclosure and also the circumstances under which such material may be subject to disclosure.

Please read the terms and conditions of this commitment letter carefully. If there are any which you are uncertain you can meet or perform, please contact us now. Some conditions may result in costs to you. Some may require professional help.

We recommend that you identify those requirements which can be more easily or inexpensively met and comply with those first so as to avoid the possible situation in which an expensive requirement is met only to find that failure to meet another requirement forces cancellation of this Loan commitment.

This Loan commitment is made for the express benefit of the City and is not transferable or assignable by the City without the prior written consent of the State, which consent may be withheld for any reason, in the sole discretion of the State.

The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this commitment letter, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this commitment letter shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Such party consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum. Notwithstanding the second sentence of this paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. The preceding sentence (1) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court and (2) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity or immunity based on the Eleventh Amendment to the Constitution of the United States.

This commitment can be withdrawn at any time prior to your acceptance. This commitment can be accepted only by having your authorized representative signing below where indicated and returning this signed copy to the State no later than July 8, 2022. Upon your failure to do so, this Loan commitment will be null and void, and the State shall have no further obligations hereunder.

Further, this commitment, even if accepted by the City on or prior to July 8, 2022, will expire if the Loan closing does not occur by September 9, 2022.

If you have any questions, please contact Cindy Lesmeister at Cindy.L.Lesmeister@odot.oregon.gov.

Sincerely,

State of Oregon, acting by and through its
Department of Transportation

By: 
Tracy D. Wroblewski, Chief Financial Officer

6-2-2022
Date

CITY'S ACCEPTANCE OF LOAN COMMITMENT.

The undersigned City has read and understood the above Loan commitment letter and accepts the above Loan commitment on the terms and conditions described in this letter.

Jurisdiction

By: _____

Name: _____

Title: _____

Date: _____

Jim Gamble, Area 5 Manager
Jim West, Project Delivery Manager
Daniel Porter, Budget, Economic & Debt Services Manager
Cindy Lesmeister, Oregon Transportation Infrastructure Bank Staff