



COBURG CITY COUNCIL ACTION/ISSUE ITEM

TOPIC: Resolution 2022-17 Authorizing Funding through OTIB (Oregon Transportation Infrastructure Bank) for Street Project Funding in the amount of \$999,500, and approve the City Administrator and/or Mayor to Sign the Commitment Letter and Loan Documents to OTIB

Meeting Date: June 14, 2022
Staff Contact: Anne Heath, City Administrator
Contact: 541-682-7871, Anne.Heath@ci.coburg.or.us

REQUESTED COUNCIL ACTION

Approval of Resolution:

Suggested motion: I move to adopt Resolution 2022-17, a resolution authorizing funding through OTIB (Oregon Transportation Infrastructure Bank) for street projects funding in the amount of \$999,500 and approve the City Administrator and/or Mayor to sign the commitment letter and loan documents to OTIB.

POLICIES OR CITY COUNCIL GOAL(S) ADDRESSED

City Council Goal #1 – Improve Infrastructure

HISTORICAL

In January, 2018 the City received a Pavement Management Report which specified the updates and maintenance needed for the streets in city limits of Coburg.

The Council then made the repair of streets a priority and formed an Ad-Hoc Committee to consider the report, gather information and make a recommendation for repairing the streets.

The recommendation of the Ad-Hoc Committee was that the City increase the local fuel tax to .06 cents, and to implement a Transportation Utility Fee for all properties in Coburg.

On December 10, 2019, Ordinance A-211-B was adopted which increased the fuel tax to .06 per gallon for gasoline. This was approved by the voters.

On July 27th, 2021, Ordinance A-252 was adopted establishing the Transportation Utility Fee. The establishment of the Transportation Utility Fee was delayed due to the Covid-19 emergency declaration and the limitations to the public process. In 2021, the City picked up the process and provided information and opportunity to the community to weigh in on the fee.

In early 2022, the staff completed a capital project list for the streets in Coburg and prioritized the projects.

In April, 2022, the City Council approved the submittal of a funding application to OTIB (Oregon Transportation Infrastructure Bank) through resolution 2022-09 for the purpose of funding the street projects.

LOAN AGREEMENT

The loan agreement includes a dollar amount for projects in the amount of \$999,500 and a loan fee of 1% in the amount of \$9,995.

Acceptance of the loan requires that the City pledges full faith and credit which means we are making available the following for repayment of the loan:

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

Equal annual payment of principal and interest is estimated at \$114,000 and will commence on September 1, 2023. (See attached commitment letter for further payment terms)

Funds will be spent out by the City and reimbursed by OTIB as the City completes the projects.

PUBLIC INVOLVEMENT

Public involvement was allowed through TUF Process and through Budget Process

NEXT STEPS

- City Administrator and/or Mayor to sign commitment letter and funding documents
- Street Project construction will begin in summer months

ATTACHMENTS

- A. Resolution 2022-17
 - B. OTIB Loan Commitment Letter
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REVIEWED BY:

Anne Davies, City Attorney

(DRAFT)
RESOLUTION 2022-17

**AUTHORIZING FUNDING THROUGH OTIB (OREGON TRANSPORTATION
INFRASTRUCTURE BANK) FOR STREET PROJECT FUNDING IN THE AMOUNT OF
\$999,500 AND APPROVE THE CITY ADMINISTRATOR AND/OR MAYOR TO SIGN
THE COMMITTTMENT LETTER AND LOAN DOCUMENTS TO OTIB**

WHEREAS The City Council of the City of Coburg finds:

- A. Street repairs and maintenance are a priority for the City Coburg.
- B. The City Council has authorized application for funding through OTIB (Oregon Transportation Infrastructure Bank).
- C. A loan in the amount of \$999,500 has been authorized and a commitment letter has been provided to the City.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Coburg

1. Financing Loan Authorized. The City Council authorizes the City Administrator and/or Mayor to execute the Financing Contract (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a loan from the OTIB on the condition that the principal amount of the loan from the OTIB to the City is not more than \$999,500 and the interest rate is not more than 2.52% on a 10 year bond with an average life of 7 years and is rate per annum of the 7 year AA rated, Municipal Market Data index as of June 1, 2022. Interest shall be calculated on a basis of a 360-day year, consisting of twelve (12), thirty (30) day months
2. 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 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 the final disbursement of the loan or September 1, 2032, whichever is earlier.
3. Pledge of the City. Full faith & Credit of the City of Coburg is pledged as a source of repayment of the loan. Full faith and credit mean an obligation of the City of Coburg that is secured by all "lawfully available funds" (as defined in ORS 287A.001(11)) of City of Coburg
4. Sources of Repayment. The loan shall be payable from any funds legally available to the City. Legally available funds include, but are not limited to the City's:
 - General Fund
 - Highway User Tax Apportionment
 - Local Fuel Tax

- System Development Charges
- Transportation Utility Fees

5. 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.

Adopted by the City Council of the City of Coburg, Oregon by a vote of ____ for and ____ against, this 14th day of June, 2022.

Ray Smith, Mayor

Attest:

Sammy Egbert, City Recorder