

RESOLUTION NO. 5495-20

A RESOLUTION AUTHORIZING A FULL FAITH AND CREDIT BORROWING AND RELATED MATTERS.

The City Council of the City of Tualatin, Oregon, finds as follows:

WHEREAS, the City of Tualatin, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed or refinanced; and

WHEREAS, the City has identified a need to provide an addition to an existing facility on the City's operations facility site, remodel of existing facilities, and related improvements (collectively, the "Project"); and

WHEREAS, it may be beneficial to refinance all or a portion of the City's Financing Agreement dated September 30, 2013 (the "Outstanding Borrowing"), which financed a new warehouse (the "Refunded Project"); and

WHEREAS, the City Council hereby determines that the Project and Refunded Project are needed, and that it is desirable to authorize the financing and refinancing of those projects pursuant to ORS 271.390; and

WHEREAS, the City may make expenditures on the Project (the "Expenditures") before the City borrows to finance the Project, and the rules of the United States Internal Revenue Service require the City to declare its official intent to reimburse itself for amounts that the City will spend before it borrows, in order for the City to reimburse itself for those Expenditures from the proceeds of a tax-exempt borrowing;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tualatin, Oregon as follows:

Section 1. Project Financing Agreement Authorized. The City is hereby authorized to enter into a financing agreement (the "Project Financing Agreement") pursuant to ORS 271.390 and the applicable provisions of ORS Chapter 287A in an aggregate principal amount not to exceed \$4,600,000. Proceeds of the Financing Agreement shall be used to pay costs of the Project and costs associated with the Financing Agreement.

Section 2. Refunding Financing Agreement Authorized. The City is further authorized to enter into a refunding financing agreement (the "Refunding Financing Agreement") pursuant to ORS 271.390 and the applicable provisions of ORS Chapter 287A to refinance all or any portion of the Outstanding Borrowing. The Refunding Financing Agreements may be issued in an amount that is sufficient to refund all or any portion of the Outstanding Borrowing and to pay estimated costs related to issuing the Refunding Financing Agreements and refunding the Outstanding Borrowing.

Section 3. Delegation. The Finance Director or the City Manager, or the person designated by the Finance Director or the City Manager (each of whom is referred to herein as a “City Official”) are hereby authorized, on behalf of the City and without further action by the City Council, to:

- A. Select all or a portion of the Outstanding Borrowing to be refunded and take action to call and prepay the Outstanding Borrowing;
- B. Negotiate, execute and deliver the Refunding Financing Agreement and Project Financing Agreement (collectively, the “Financing Agreement”). Subject to the limitations of this Resolution, the Financing Agreement may be in the form of agreements, credit facilities, or other documents that describe the terms and administrative provisions related to the borrowing. The Financing Agreement may contain such terms as the City Official may approve and may contain portions of the new money authority and refunding authority;
- C. Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing;
- D. Select a commercial bank or another lender to fund the Financing Agreement;
- E. Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”) which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes, if applicable;
- F. Designate the borrowing as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;
- G. Appoint and enter into agreements with Hawkins Delafield & Wood LLP as bond counsel, Piper Sandler & Co. as placement agent and other service providers for the Financing Agreement; and
- H. 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 4. Security. Pursuant to ORS 287A.315, the City is authorized to pledge its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

Section 5. Declaration of Intent to Reimburse. The City hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.

Section 6. Effective Date. This resolution is effective immediately upon its passage.

INTRODUCED and ADOPTED by the City Council this 26th day of May, 2020.

CITY OF TUALATIN, OREGON

BY _____
Mayor

APPROVED AS TO FORM

ATTEST:

BY _____
City Attorney

BY _____
City Recorder