

**CITY OF FLORENCE
RESOLUTION NO. 13, SERIES 2018**

A resolution authorizing the execution and delivery of a full faith and credit financing agreement and note for the purpose of financing real and personal property in an amount not to exceed \$3,300,000; authorizing a letter of credit; designating an authorized representative and special counsel; authorizing an intergovernmental agreement with the agency; and related matters.

RECITALS:

- A. The City of Florence, Oregon (the "**City**"), is authorized by Oregon Revised Statutes ("**ORS**") Section 271.390 and Chapter 287A to (i) enter into financing agreements to finance real and personal property that the City determines is needed, (ii) pledge its full faith and credit, and (iii) pay the costs of issuance of such financing agreements.
- B. The Charter of the City does not (i) prohibit the City from entering into a financing agreement and note and pledging its full faith and credit as security for the financing agreement, nor (ii) require a non-appropriation clause to be included in the financing agreement.
- C. The City, the Florence Urban Renewal Agency, Oregon (the "**Agency**") and the State of Oregon, acting by and through its Department of Transportation ("**ODOT**") entered into a Local Agency Agreement in July 2017, as amended (the "**ODOT Agreement**"), whereby ODOT agrees to oversees the construction phase of the OR126/US101: Spruce Street - Siuslaw River Bridge project (the "**Siuslaw River Bridge Project**") and provide a portion of the costs of the Siuslaw River Bridge Project. The Siuslaw River Bridge Project cost is expected to be not less than \$7,020,000, of which approximately \$857,875 is expected from ODOT and approximately \$1,692,520 is expected from a federal grant. The City and Agency are responsible for all remaining costs pursuant to the ODOT Agreement (the "**Match**"). The Match is expected to be not less than \$2,650,000.
- D. Streetscape, sidewalk and roadway improvements, including the Siuslaw River Bridge Project, within the Florence Downtown Urban Renewal Plan (the "**Plan**") of the Agency are needed.
- E. Design and construction of trail improvements, land acquisition, public art acquisition and other public infrastructure improvements and related costs in the Plan (the "**Additional Projects**") are needed. The Additional Projects cost is expected to be not less than \$650,000. The Siuslaw River Bridge Project and the Additional Projects are collectively referred to as the "**Projects**").

- F. The Siuslaw River Bridget Project and certain of the Additional Projects are also known as the ReVision Florence project of City and the Agency, in conjunction with ODOT, to improve the visual, pedestrian, gateway and safety aspects of Highway 101 and 126 corridors in Florence.
- G. The City desires to authorize and enter into a financing agreement and note (the "**Agreement**") in an amount not to exceed \$3,300,000 for the purpose of financing the Projects and to pay the costs incidental thereto.
- H. The City further desires to enter into an intergovernmental agreement(s) (the "**2018 IGA**") with the Agency to receive funds from the Agency solely from the Security as defined in the Agency's Master Urban Renewal Obligation Declaration (Florence Downtown Urban Renewal Area) (the "**Master Declaration**"), to repay the portion of the Agreement allocable to projects in the Plan including the Project and costs incidental thereto and/or to repay the ODOT Funding Requirement (defined below) and costs incidental thereto.
- I. The City anticipates incurring expenditures (the "**Expenditures**") to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may make from City funds on the Project from the proceeds of a borrowing, the interest on which may be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**").
- J. The estimated weighted average life of the Agreement will not exceed the estimated dollar weighted average life of the Project.
- K. The Agreement will be issued as a full faith and credit obligation of the City, secured by the general, non-restricted revenues of the City and other funds that may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon.
- L. Prior to commencement of the Siuslaw River Bridge Project, ODOT requires the City and/or Agency to (i) submit payment to ODOT in an amount equal to the estimated Match, (ii) obtain an irrevocable letter of credit in the name of the State in an amount equal to the estimated Match (the "**Letter of Credit**"), or (iii) deposit in a Local Government Investment Pool ("**LGIP**") account an amount equal to the estimated Match and authorize ODOT to access such account (collectively, the "**ODOT Funding Requirement**").
- M. ORS Section 294.468 provides that the City may loan money from certain funds of the City to any other fund of the City whenever such loan is specifically authorized by resolution.
- N. If necessary or desirable to meet the ODOT Funding Requirement, as determined by the Authorized Representative, the City desires to authorize interfund loans of the City as provided in Exhibit A attached hereto (the "**Interfund Loans**").

- O. The City desires to delegate to the Authorized Representative (defined below) the authority to determine how to meet the ODOT Funding Requirement.

Based upon these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. Authorization.

- a. The City Council hereby determines the Project is needed and authorizes the execution and delivery of a financing agreement(s) in one or more series, which may be evidenced by a note(s) (collectively, the “**Agreement**”) in a form satisfactory to the Authorized Representative, as defined below, in an aggregate amount not to exceed \$3,300,000 to finance the Projects and costs of the financing.
- b. The City Council authorizes the 2018 IGA with the Agency for the Projects and the ODOT Funding Requirement, and to receive funds from the Agency solely from the Security as defined in the Agency’s Master Declaration to repay the portion of the Agreement allocable to projects in the Plan including the Projects and the ODOT Funding Requirement and costs incidental thereto.
- c. The City Council authorizes the Authorized Representative to determine how to meet the ODOT Funding Requirement, including but not limited to: (i) obtaining and negotiating the terms of a Letter of Credit in an amount equal to the estimated Match; and (ii) entering into Interfund Loans as provided in Exhibit A attached hereto in order to deposit funds with ODOT or the LGIP in an amount equal to the estimated Match.

2. Security.

The payments due under the Agreement and Letter of Credit Agreement (defined below), if applicable, shall be full faith and credit obligations of the City payable from the lawfully available, non-restricted funds of the City and shall not be subject to annual appropriation. The City shall use all taxing power available to it under current law to generate funds sufficient to permit the City to make the payments within the limits of Article XI, sections 11 and 11b of the Oregon Constitution.

3. Designation of Authorized Representative.

The City Council hereby authorizes the City Manager or the Mayor or any designee of the City Council (the “**Authorized Representative**”) to act as the authorized representative on behalf of the City and make determinations as delegated in Section 4 below.

4. Delegation of Final Terms of the Agreement and Additional Documents.

The Authorized Representative is authorized, on behalf of the City, to:

- a. Negotiate the terms of the Agreement, including the maturity and interest payment dates, dated date, principal amount, optional prepayment provisions, fixed and/or variable interest rates, draw down provisions, amortization schedules, and fees; and approve, execute and deliver the Agreement;
- b. Negotiate the terms of and enter into a Letter of Credit agreement, which may be evidenced by a note of the City (the "**Letter of Credit Agreement**") under which the City agrees to reimburse the issuer of the Letter of Credit for any draws on the Letter of Credit, and such other documents as the issuer of the Letter of Credit requires; and
- c. Determine whether one or more series of the Agreement and Letter of Credit Agreement, if applicable, will bear interest that is excludable from gross income under the Code, or is includable in gross income under the Code. If any series of the Agreement or Letter of Credit Agreement bears interest that is excludable from gross income under the Code, the Authorized Representative may enter into covenants to maintain the excludability of interest from gross income;
- d. Designate each series of the Agreement and Letter of Credit Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;
- e. Engage the services of any professionals whose services are desirable for the financing of the Project;
- f. Negotiate the terms of and enter into the 2018 IGA with the Agency;
- g. Determine if the Interfund Loans, if any, will be repaid with proceeds of the 2018 IGA, the Agreement or the Letter of Credit Agreement.
- h. Execute and deliver any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to enter into the Agreement, the 2018 IGA, the Letter of Credit Agreement or the Interfund Loans in accordance with this Resolution and take any other actions that the Authorized Representative determines are necessary or desirable in accordance with this Resolution.

5. Appointment of Special Counsel.

The City appoints Mersereau Shannon LLP as special counsel to the City for the execution and delivery of the Agreement and the Letter of Credit Agreement, if any.

6. Appointment of Lender and Letter of Credit Provider.

The City authorizes the Authorized Representative to appoint a lender for the Agreement and a provider of the Letter of Credit, if applicable (together the "Providers").

7. Post Issuance Compliance Procedures.

The Authorized Representative is authorized to establish procedures regarding post issuance compliance related to tax-exempt and taxable obligations of the City.

8. Resolution to Constitute Contract.

In consideration of entering into the Agreement, the provisions of this Resolution shall be part of the contract of the City with the Providers and shall be deemed to be and shall constitute a contract between the City and the Providers. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Agreement and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be a contract for the benefit, protection and security of the Providers.

9. Reimbursement.

The City hereby declares its official intent to reimburse itself with the proceeds of the Agreement or Letter of Credit Agreement for any of expenditures incurred by it prior to the issuance of the Agreement or Letter of Credit Agreement.

10. Effective Date.

This Resolution shall take effect on the date of its adoption.

Passed by the Florence City Council this 4th day of June 2018.



Joe Henry, Mayor

ATTEST:



Kelli Weese, City Recorder

Exhibit A

The following interfund loans are authorized by the City under ORS Section 294.468 if determined by the Authorized Representative to be necessary or desirable to finance the Siuslaw River Bridge Project in accordance with the ODOT Funding Requirement:

1. Loan I

Fund from which loan is to be made: General Fund

Fund to which loan is to be made: City/FURA Debt Service Fund

Purpose: ODOT Funding Requirement

Principal Amount: \$1,000,000

Repayment Schedule:

Payment Date	Principal	Rate	Interest	Total P&I
November 30, 2018	\$1,000,000	2.10%	\$10,126.03	\$1,010,126.03

2. Loan II

Fund from which loan is to be made: Water Fund

Fund to which loan is to be made: City/FURA Debt Service Fund

Purpose: ODOT Funding Requirement

Principal Amount: \$400,000

Repayment Schedule:

Payment Date	Principal	Rate	Interest	Total P&I
November 30, 2018	\$ 400,000	2.10%	\$ 4,050.41	\$ 404,050.41

3. Loan III

Fund from which loan is to be made: Stormwater Fund

Fund to which loan is to be made: City/FURA Debt Service Fund

Purpose: ODOT Funding Requirement

Principal Amount: \$500,000

Repayment Schedule:

Payment Date	Principal	Rate	Interest	Total P&I
November 30, 2018	\$ 500,000	2.10%	\$ 5,063.01	\$ 505,063.01

4. Loan IV

Fund from which loan is to be made: Wastewater SDC Fund

Fund to which loan is to be made: City/FURA Debt Service Fund

Purpose: ODOT Funding Requirement

Principal Amount: \$300,000

Repayment Schedule:

Payment Date	Principal	Rate	Interest	Total P&I
November 30, 2018	\$ 300,000	2.10%	\$ 3,037.81	\$ 303,037.81

5. Loan V

Fund from which loan is to be made: Street SDC Fund

Fund to which loan is to be made: City/FURA Debt Service Fund

Purpose: ODOT Funding Requirement

Principal Amount: \$250,000

Repayment Schedule:

Payment Date	Principal	Rate	Interest	Total P&I
November 30, 2018	\$ 250,000	2.10%	\$ 2,531.51	\$ 252,531.51

6. Loan VI

Fund from which loan is to be made: Florence Events Center Fund

Fund to which loan is to be made: City/FURA Debt Service Fund

Purpose: ODOT Funding Requirement

Principal Amount: \$200,000

Repayment Schedule:

Payment Date	Principal	Rate	Interest	Total P&I
November 30, 2018	\$ 200,000	2.10%	\$ 2,025.21	\$ 202,025.21