



Home of the Tualatin River National Wildlife Refuge

RESOLUTION 2017-032

AUTHORIZING FULL FAITH AND CREDIT BORROWINGS TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY

WHEREAS, in 2008 the City of Sherwood entered into loan agreement S08004 with the State of Oregon acting by and through its Economic and Community Development Department (the “2008 Financing”) to finance water system improvements including providing a reservoir, pump station, overflow pond, on-site piping, sanitary sewer lines, and storm water drainage facilities improvements in the western portion of Snyder Park as well as transmission piping for a new water supply in Pine Street and Sunset Boulevard (the “2008 Project”); and

WHEREAS, in 2009 the City entered into loan agreement S10003 with the State of Oregon acting by and through its Economic and Community Development Department (the “2009 Financing”, and collectively with the 2008 Financing the “Outstanding Borrowings”) to finance water system improvements including transmission piping for a new water supply, overflow pond, on-site piping, sanitary sewer lines, and storm water drainage facilities improvements in the western portion of Snyder Park (the “2009 Project”, and collectively with the 2008 Project, the “Projects”); and

WHEREAS, the 2008 Financing is outstanding in the approximate principal amount of \$4,355,441.95 and the 2009 Financing is outstanding in the approximate principal amount of \$4,640,241.36; and

WHEREAS, ORS 271.390 authorizes Oregon governments to refund outstanding borrowings that financed projects that the City Council determines are needed, as long as the estimated weighted average life of the borrowing does not exceed the estimated dollar weighted average life of the real or personal property that is refinanced with the borrowing; and

WHEREAS, current interest rates may be lower than the interest rates that are payable on the Outstanding Borrowings and the City may be able to reduce debt service costs by refunding all or a portion of the Outstanding Borrowings;

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. Determination of Need. The City Council hereby determines that the Projects were needed at the time they were financed and that they remain needed.

Section 2. Financing Authorized. The City is hereby authorized to enter into one or more financing agreements (the “Financing Agreements”) to refinance all or any portion of the Projects pursuant to ORS 271.390 and the relevant provisions of ORS Chapter 287A. The Financing Agreements may be issued in an amount that is sufficient to refund all or any portion of the Outstanding Borrowings and to pay estimated costs related to issuing the Financing Agreements and refunding the Outstanding Borrowings.


Section 3. Delegation. The City Manager, or the person designated in writing by the City Manager to act on behalf of the City under this resolution (each of whom is referred to in this resolution as a “City Official”) may, on behalf of the City and without further action by the Council:

- a. Select all or a portion of the Outstanding Borrowings to be refunded;
- b. Determine the final principal amount, interest rates, payment dates, maturity dates, prepayment rights and all other terms of the Financing Agreements;
- c. Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreements;
- d. Select a commercial bank or investor with which to negotiate, execute and deliver the Financing Agreements. 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;
- e. Enter into additional covenants for the benefit of the purchasers of the Financing Agreements that the City Official determines are desirable to obtain more favorable terms for the Financing Agreements;
- f. Enter into escrow deposit agreements and take any other actions to prepay any of the Outstanding Borrowings;
- g. Engage the services of escrow agents and any other professionals whose services are desirable for the financings;
- h. Covenant for the benefit of the owners of the Financing Agreements to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code"), that are required for the interest paid under the Financing Agreements to be excluded from gross income for federal income tax purposes;
- i. Designate each of the Financings Agreements as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;
- j. Execute and deliver any other certificates or documents and take any other actions that the City Official determines are desirable to carry out this Resolution.

Section 4. Security. The Financing Agreements may constitute unconditional obligations of the City, which are payable from all legally available funds of the City. Pursuant to ORS 287A.315 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 to pay amounts due under the Financing Agreements.

Section 5. Effective Date. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 18th day of April, 2017.


Krisanna Clark, Mayor

Attest:


Sylvia Murphy, MMC, City Recorder