

## RESOLUTION NO. 2016-28

A RESOLUTION OF THE CITY OF SALEM AUTHORIZING THE ACCEPTANCE OF A LOAN FROM THE STATE OF OREGON, OREGON INFRASTRUCTURE FINANCE AUTHORITY, SPECIAL PUBLIC WORKS FUND AND AUTHORIZING THE EXECUTION OF ALL ASSOCIATED FINANCING DOCUMENTS

**Whereas**, the City of Salem, an Oregon municipal corporation (City), is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9); and

**Whereas**, Oregon Revised Statutes 285B.410 through 285B.482 (the Act) authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (IFA) to obtain financial assistance from the Special Public Works Fund; and

**Whereas**, the City has filed an application with the IFA to obtain financial assistance for a “development project” within the meaning of the Act; and

**Whereas**, the IFA has approved the City’s application for financial assistance from the Special Public Works Fund pursuant to the Act; and

**Whereas**, the City is required, as a prerequisite to the receipt of financial assistance from the IFA, to enter into a Financing Contract with the IFA, in substantially the form attached hereto as Exhibit A; and

**Whereas**, the project described in Exhibit A (Project) is a “development project” within the meaning of the Act and is needed by, and is in the public interest of, the City; and

**Whereas**, notice relating to the City’s consideration of the adoption of this resolution was provided to the public in full accordance with the charter and laws of the City of Salem for public notification.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SALEM, OREGON,  
RESOLVES AS FOLLOWS:

**Section 1. Financing Loan Authorized.** The City Council hereby authorizes the City Manager, or the City Manager’s designee, to execute a Financing Contract and a Promissory Note (Financing Documents) and such other documents as may be required to obtain financial assistance, including a loan from the IFA, on the condition that the principal amount of the loan from the IFA to the City is not in excess of \$2,200,000 (with \$500,000 eligible for principal forgiveness if certain contract conditions are met) and that the interest rate does not exceed 3.30% per annum. The proceeds of the loan from the IFA will be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.

**Section 2. Security.** Amounts payable by the City are payable from the sources described in section 4 of the Financing Contract and Oregon Revised Statutes 285B.437(3) which include:

- (a) The general fund of the City;
- (b) Amounts withheld under ORS 285B.449 (1);
- (c) The revenues of the project; or
- (d) Any other source.

**Section 3. Additional Documents.** The City Manager, or City Manager's designee, is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the IFA for the Project pursuant to, and consistent with, the Financing Documents.

**Section 4. Tax-Exempt Status.** The City covenants not to take any action or omit to take any action if the taking or omission would cause the interest paid by the City pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The City Manager, or the City Manager's designee, may enter into covenants on behalf of the City to protect the tax-exempt status of the interest paid by the City pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms, or other documents as may be required by the IFA or the City's bond counsel to protect the tax-exempt status of such interest.

**Section 5. Effective Date.** This resolution is effective upon adoption.

ADOPTED by the City Council this 27<sup>th</sup> day of June, 2016.

ATTEST:

City Recorder

Approved by City Attorney: \_\_\_\_\_

Checked by: D. Lacy