

RESOLUTION NO. 20-9 URA

A RESOLUTION AUTHORIZING UP TO \$10,000,000 OF INDEBTEDNESS FOR PROJECTS DESCRIBED IN THE URBAN RENEWAL PLAN FOR THE RIVERFRONT/DOWNTOWN URBAN RENEWAL AREA

WHEREAS, the Urban Renewal Agency of the City of Salem, Oregon (the “Agency”) is authorized to enter into borrowings that are payable from the tax increment revenues of the Riverfront/Downtown Urban Renewal Area (the “Area”); and

WHEREAS, the Agency desires to borrow up to \$10,000,000 for the Area to finance projects in the Riverfront/Downtown Urban Renewal Plan, as amended (the “Projects”); and

WHEREAS, the City of Salem, Oregon (the “City”) has approved a maximum indebtedness for the Area of \$315,000,000 and the Agency has sufficient maximum indebtedness capacity and is willing to use that maximum indebtedness capacity to finance the Projects by entering into formal borrowings from time to time; and

WHEREAS, other outstanding bonds of the Agency for the Area are issued under a Master Bond Declaration for the Area that describes the terms under which the Agency can issue bonds that are secured by the tax increment revenues of the Area; and

WHEREAS, prior to the issuance of the borrowings described in this resolution, the Agency desires to incur certain capital expenditures with respect to the Projects from available moneys of the Agency and wishes to declare its official intent to reimburse itself for any such expenditures from the proceeds of borrowings authorized by this resolution; and

NOW THEREFORE BE IT RESOLVED, by the Agency, an Urban Renewal Agency in the State of Oregon, as follows:

Section 1. Definitions.

Unless the context clearly requires otherwise capitalized terms that are used in this Resolution shall have the following meanings:

“Riverfront/Downtown Borrowings” means the Riverfront/Downtown Urban Renewal Area borrowings authorized by Section 3 of this Resolution.

“Area” means the Riverfront/Downtown Urban Renewal Area.

“City” means the City of Salem, Oregon.

“Agency” means the Urban Renewal Agency of the City of Salem, Oregon.

“Authorized Representative,” means the Agency’s Executive Director, the Chief Financial Officer of the City or the designee of either of those officials designated to act on behalf of the Agency under this Resolution.

Section 2. Covenant to Levy and Comply with the Master Bond Declaration.

2.1 The Agency shall covenant with the owners of the Riverfront/Downtown Borrowings to comply with the Master Bond Declaration. Section 9.A of the Master Bond Declaration requires the Agency to certify for collection each year an amount of tax increment revenues including, if necessary, a special levy, that totals at least 110% of the annual debt service on the Riverfront/Downtown Borrowings and parity obligations.

Section 3. The Riverfront/Downtown Borrowings.

3.1 Authorization. The Agency hereby authorizes the sale and delivery of the Riverfront/Downtown Borrowings in an aggregate principal amount not to exceed \$10,000,000 pursuant to the applicable provisions of ORS Chapters 287A and 457. The proceeds of the Riverfront/Downtown Borrowings shall be used to finance the Projects and to fund debt service reserves. The Riverfront/Downtown Borrowings shall be issued under the Master Bond Declaration for the Area on parity with the Agency's other outstanding bonds for the Area that have a first lien on the tax increment revenues for the Area.

3.2 Delegation. An Authorized Representative may, on behalf of the Agency and without further action by the Agency:

(A) Issue the Riverfront/Downtown Borrowings in one more series which may be sold from time to time.

(B) Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for each series of the Riverfront/Downtown Borrowings, if applicable.

(C) Solicit competitive bids for the purchase of any series of the Riverfront/Downtown Borrowings and award the sale to the bidders offering the most favorable terms to the Agency, select underwriters to purchase any series of the Riverfront/Downtown Borrowings, and negotiate the terms of the sales of any series of the Riverfront/Downtown Borrowings with those underwriters, and place any series of the Riverfront/Downtown Borrowings directly with a commercial bank or other lender and enter into related agreements.

(D) Undertake to provide continuing disclosure for each series of the Riverfront/Downtown Borrowings in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, if applicable.

(E) Obtain ratings, purchase credit enhancements for each series of the Riverfront/Downtown Borrowings, and enter into related agreements as required.

(F) Negotiate the terms of, approve, execute and deliver one or more supplements to the Master Bond Declaration. Each supplemental declaration shall memorialize the terms and administrative provisions of its series of the Riverfront/Downtown Borrowings and shall be in substantially the form attached to this Resolution as Exhibit A, but with such changes as the Authorized Representative may approve.

(G) Determine whether one or more series of the Riverfront/Downtown Borrowings will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the “Code”), or is includable in gross income under the Code. If any series of the Riverfront/Downtown Borrowings bears interest that is excludable from gross income under the Code, the Authorized Representative may enter into covenants to maintain the excludability of interest on that series of the Riverfront/Downtown Borrowings from gross income.

(H) Designate one or more series of the Riverfront/Downtown Borrowings as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code, if applicable.

(I) Enter into additional covenants for the benefit of the purchasers of each series of the Riverfront/Downtown Borrowings which an Authorized Representative determines are desirable to sell each series of the Riverfront/Downtown Borrowings on favorable terms.

(J) Determine the final principal amounts, interest rates, payment dates, and all other terms of each series of the Riverfront/Downtown Borrowings.

(K) Use legally available funds in addition to borrowing proceeds to fund a debt service reserve for any series of the Riverfront/Downtown Borrowings.

(L) Execute and deliver each series of the Riverfront/Downtown Borrowings, which may be in such form as the Authorized Representative approves, including a note or bond.

(M) Amend the Master Declaration for the Area in accordance with its terms.

(N) Amend each Riverfront/Downtown Borrowing; each such amendment shall be considered a Riverfront/Downtown Borrowing under this Section 3.2 but shall only count against the maximum indebtedness capacity of the Area to the extent required by law.

(O) Execute any documents and take any other action which an Authorized Representative finds is desirable to carry out this Resolution.

Section 4. Declaration of Intent to Reimburse. The Agency hereby declares its official intent to reimburse itself with the proceeds of the Riverfront/Downtown Borrowings for any expenditures on the Projects paid prior to the issuance of the Riverfront/Downtown Borrowings. This resolution is adopted as official action of the Agency in order to comply with United States Treasury Regulation 1.150-2.

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

ADOPTED by the Urban Renewal Agency Board this 12th day of October, 2020.

ATTEST:

Clerk of the Agency

Approved by City Attorney: _____

APPROVED BY BOND COUNSEL:

Gülgün Ugur, Hawkins Delafield & Wood LLP

Checked by: J. Eggleston