



RESOLUTION 2010-045

OF THE CITY OF SHERWOOD AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO AN INTERIM LOAN CONTRACT AND A PERMANENT LOAN CONTRACT WITH THE OREGON BUSINESS DEVELOPMENT DEPARTMENT

The City Council (the "Governing Body") of the City of Sherwood (the "Municipality") finds:

Whereas, The Municipality is a "municipality" within the meaning of Oregon Revised Statutes 285B.410(8); and

Whereas, Oregon Revised Statutes 285B.410 through 285B.479 (the "Act") authorize any municipality to file an application with the Oregon Business Development Department ("the Department") to obtain financial assistance from the Special Public Works Fund; and

Whereas, The Municipality has filed an application with the Department to obtain financial assistance for a "development project" within the meaning of the Act; and

Whereas, The Department has approved the Municipality's application for financial assistance from the Special Public Works Fund pursuant to the Act; and

Whereas, The Department is not able to provide long-term, permanent financial assistance prior to the date the Municipality needs funds to begin construction of the project, as determined below, but is able to provide interim financing for the Municipality's commencement of construction; and

Whereas, The Department intends to provide long-term, permanent financial assistance prior to the maturity date on the interim financing to allow the Municipality to complete construction and to repay the interim financing loan; and

Whereas, The Municipality is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Loan Agreement with the Department; and

Whereas, The project described in Exhibit A attached hereto (the "Project"), is a "development project" within the meaning of the Act which is needed by and is in the public interest of the Municipality; and

Whereas, Notice relating to the Municipality's consideration of the adoption of this Resolution was published in full accordance with the City of Sherwood's charter and laws for public notification; and


NOW THEREFORE, the City of Sherwood resolves as follows;

1. **Interim Financing Loan Authorized.** The Governing Body authorizes the City Manager to execute the Financial Assistance Award Contract, Interim Financing Loan Agreement, the Promissory Note and such other documents as may be required to obtain financial assistance including an interim financing loan from the Department on the condition that the principal amount of the interim financing loan from the Department to the Municipality is not in excess of \$8,500,000 and the interest rate is a percent deemed reasonable by the City Manager and in the best interest of the City of Sherwood. The proceeds of the interim financing loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Interim Loan Agreement.
2. **Permanent Loan Authorized.** The Governing Body authorizes the City Manager to execute the Financial Assistance Award Contract, Loan Agreement, Promissory Note and such other documents as may be required to obtain financial assistance including a permanent financing loan from the Department on the condition that the principal amount of the permanent loan from the Department to the Municipality is not in excess of \$8,500,000 plus an amount sufficient to pay interest accrued on the Interim Financing Loan, and the interest rate is a percent deemed reasonable by the City Manager and in the best interest of the City of Sherwood. The proceeds of the permanent financing loan from the Department shall be applied solely to repayment of the interim financing loan and the "Costs of the Project" as such term is defined in the Loan Agreement.
3. **Security.** Amounts payable by the Municipality shall be payable from the sources described in the Oregon Revised Statutes Section 285B.437(3) which include:
 - (a) The revenues of the project, including special assessment revenues;
 - (b) Amounts withheld under ORS 285B.449 (1);
 - (c) The general fund of the municipality; or
 - (d) Any other source.
4. **Additional Documents.** The City Manager 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 Department for the Project pursuant to the Financial Assistance Award Contract and the Loan Agreement.
5. **Tax-Exempt Status.** The Municipality covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Municipality pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The [name of officer] of the Municipality may enter into covenants on behalf of the Municipality to protect the tax-exempt status of the interest paid by the Municipality pursuant to the Loan Agreement and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or their bond counsel to protect the tax-exempt status of such interest.

6. **Reimbursement Bonds.** The Municipality may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the Municipality understands that the Department may fund or reimburse itself for the funding of amounts paid to the Municipality pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Resolution shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the Municipality's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.
7. **Declaration of Emergency.** The Governing Body declares that an emergency exists in order that there be no delay in financing the Project as provided in this Resolution. Therefore, this Resolution shall be in force and effect from and after passage by the Governing Body.

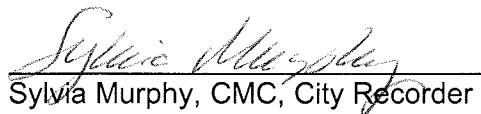
DATED this 21st day of September, 2010.

City of Sherwood



Keith S. Mays, Mayor

Attest:



Sylvia Murphy, CMC, City Recorder

PROJECT DESCRIPTION

Borrower will, with the assistance of a licensed engineer and landscape architect, design and complete public improvements at the Cannery Square redevelopment project located near the intersection of SW Railroad and SW Pine Streets in the Old Town District of Sherwood. Project improvements include, but are not limited to:

- construction of road and utility infrastructure along the existing Pine Street and new roads Columbia Street and Highland Drive,
- construction of an approximately 13,000-square-foot public plaza, and
- redevelopment of an old machine works building into a public community center of approximately 7,000 square feet and retail space of approximately 3,000 square feet along with common areas of approximately 2,000 square feet.