

ORDINANCE BILL NO. 15 FOR 1992

ORDINANCE NO. 1053

AN ORDINANCE AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO A LOAN CONTRACT WITH THE OREGON ECONOMIC DEVELOPMENT DEPARTMENT AND DECLARING AN EMERGENCY.

WHEREAS, the City Council (the "Governing Body") for the City of Sweet Home (the "Municipality") finds:

A. The City of Sweet Home is a "municipality" within the meaning of Oregon Revised Statutes 284.310(2).

B. Oregon Revised Statutes 284.310 through 284.535 (the "Act") authorizes any municipality to file an application with the Oregon Economic Development Department (the "Department") to obtain financial assistance from the Special Public Works Fund.

C. The Municipality has filed an application with the Department to obtain financial assistance for an "infrastructure project" within the meaning of the Act.

D. The Department has approved the Municipality's application for financial assistance from the Special Public Works Fund pursuant to the Act.

E. 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 in substantially the form attached hereto as Exhibits "A" and "B".

F. The project described in Exhibit "A" to the Loan Agreement (the "Project") is an "infrastructure project" within the meaning of the Act which is needed by and is in the public interest of the Municipality.

G. Notice relating to the Municipality's consideration of the adoption of this Ordinance was published at least once in a newspaper of general circulation within the City of Sweet Home. Such notice was published at least 14 days in advance of the adoption of this Ordinance.

NOW, THEREFORE, THE CITY OF SWEET HOME DOES ORDAIN AS FOLLOWS:

1. Loan Authorized. The governing body authorizes the City Manager to execute the Financial Assistance Award Contract, Loan Agreement, the Promissory Note attached as an exhibit to the Loan Agreement and such other documents as may be required to obtain financial assistance including a loan from the Department on the condition that the principal amount of the loan from the Department to the Municipality is not in excess of \$1,000,000 and the interest rate on such loan is not in excess of the interest rate on the series of Oregon Bond Bank Revenue Bonds issued by the State of Oregon to fund all or any portion of such loan. The proceeds of the loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Loan Agreement.

2. Security. Amounts payable by the Municipality shall be payable from the sources described in Section 3.09 of the Loan Agreement and Oregon Revised Statutes 284.410(2) which include:

- a. any sources of funds that are legally available to the Municipality.
- b. the revenues, if any, of the Project, including special assessments revenues, if any, and

c. the Municipality's general fund including the general revenues of the Municipality, other funds which may be available for such purposes and a pledge of the Municipality's taxing power within the restriction of Article XI, Section 11 of the Constitution of the State of Oregon. The obligation of the Municipality to make payments pursuant to the Loan Agreement is a full faith and credit obligation of the Municipality and is not subject to annual appropriation.

3. 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.

4. 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 Municipality shall not permit more than ten percent of the Project to be used for any private business use. The City Manager 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.

5. 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 Ordinance. Therefore, this Ordinance shall be in full force and effect from and after passage by the Governing Body.

PASSED by the Council and approved by the Mayor this 10th day of November, 1992.


Mayor

ATTEST:


City Manager - Ex Officio City Recorder