

ORDINANCE NO. 737

AN ORDINANCE OF THE CITY OF STAYTON AUTHORIZING A LOAN TO THE SEWER FUND BY ENTERING INTO A LOAN CONTRACT WITH THE OREGON ECONOMIC DEVELOPMENT DEPARTMENT; AND DECLARING AN EMERGENCY.

WHEREAS, the Stayton City Council (Governing Body) of the City of Stayton (City) finds that:

1. The City is a municipality within the meaning of the Oregon Revised Statutes 285.700(1); and
2. Oregon Revised Statutes 285.700 through 285.750 (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; and
3. The City has filed an application with the Department to obtain financial assistance for a sewage treatment works project within the meaning of the Act; and
4. The Department has approved the City's application for financial assistance from the Special Public Works Fund pursuant to the Act; and
5. The City is required, as a prerequisite to 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; and
6. The project described in Exhibit A to the Loan Agreement (the Project) is a sewage treatment works project within the meaning of the Act which is needed by and is in the public interest of the City; and
7. Notice relating to the City's consideration of the adoption of this Ordinance was published at least once in a newspaper of general circulation within the City of Stayton. Such notice was published at least 14 days in advance of the adoption of this Ordinance.

NOW, THEREFORE, the Stayton City Council hereby ordains as follows:

SECTION 1: LOAN AUTHORIZATION

The Stayton City Council authorizes the City Administrator to execute the Financial Assistance Award Contract, Loan Agreement, the Promissory Note attached as Exhibit F to the Loan Agreement (the Financing Documents), 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 City is not in excess of \$830,000 and the interest rate on such loan is not in excess of 6.5 percent. The proceeds of the loan from the Department shall be applied solely to the Cost of the Project as such term is defined in the Loan Agreement.

SECTION 2: SECURITY

Amounts payable to the City shall be payable from the sources described in Section 3.09 of the Loan Agreement and Oregon Revised Statutes 285.723(2), which include:

- a. Any sources of funds that are legally available to the City;
- b. The revenues, if any, of the Project, including special assessment revenues, if any; and
- c. The City's sewer construction fund; the City's general fund, including the general revenues of the City; other funds which may be available for such purpose; and the City's taxing power within the restrictions of Article XI, Section 11. and 11.b of the Constitution of the State of Oregon.

SECTION 3: ADDITIONAL DOCUMENTS

The City Administrator 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.

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 interest paid by the City 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 City Administrator of the City of Stayton 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 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.

SECTION 5: REIMBURSEMENT BONDS

The City may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the City understands that the Department may fund or reimburse itself for the funding of amounts paid to the City pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Ordinance 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 by the municipality or the State with the proceeds of the City's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

SECTION 6: DECLARATION OF EMERGENCY

The Stayton City Council 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 when executed by the Mayor.

PASSED BY THE STAYTON CITY COUNCIL this 17th day of OCTOBER, 1994.

Date: 10-20-94 By: Willmer Van Vleet
WILLMER VAN VLEET, Mayor

Date: 10-19-94 Attest: Michael D. Healy
MICHAEL D. HEALY, Acting City Administrator

APPROVED AS TO FORM

Date: OCT 17 1994 David A. Rhoten
DAVID A. RHOTEN, City Attorney

I HEREBY CERTIFY THAT THIS ORDINANCE NUMBER 737 IS A TRUE AND EXACT COPY OF THE ORDINANCE ADOPTED BY THE STAYTON CITY COUNCIL 17 OCTOBER 1994.

Leslie J. Bullock 28 Oct 1994
LESLIE J. BULLOCK, Executive Secretary Date