

RESOLUTION NO. 2112

AUTHORIZE A NEW \$5 MILLION LINE OF CREDIT TO FINANCE ROAD PROJECTS, PROPERTY ACQUISITION, PARK IMPROVEMENTS AND RELATED PROJECT ADMINISTRATION IN THE WEST SIDE URBAN RENEWAL AREA.

WHEREAS, an additional \$5 million is needed to finance urban renewal projects in the West Side Urban Renewal Area; and,

WHEREAS, the Bank of America, N.A. has submitted a proposal to provide the additional \$5 million of financing in the form of a credit facility that has terms which are substantially similar to the financings that the City did with that Bank for the West Side Urban Renewal Area in 2005 and 2006; and,

WHEREAS, the proposed terms for the \$5 million of additional financing from the Bank are described in Attachment A.

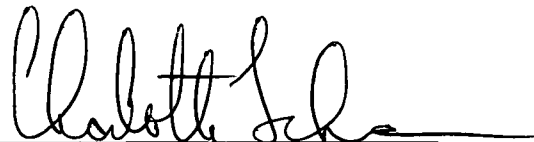
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. To accept the proposal of Bank of America, N.A. to provide an additional \$5 million of variable rate financing for urban renewal projects in the West Side Urban Renewal Area on the terms provided in Attachment A, but with such changes as the Finance Director may approve.
2. To authorize the Finance Director, or the Finance Director's designee (each of whom is described in this resolution as a "City Official") to:
 - (A) Negotiate the terms of, execute and deliver a line of credit or similar instrument (the "Credit Facility") pursuant to ORS 287A.180 with Bank of America, N.A. (the "Bank") for the purposes described in this resolution. The City Official may pledge the City's full faith and credit, the proceeds of any long term financing for the projects financed with the Credit Facility, and all amounts the City receives under the Intergovernmental Agreement described below, to pay the amounts due

under the Credit Facility. Subject to the limitations of this resolution, the Credit Facility may be in such form and contain such terms as the City Official may approve.

- (B) Enter into an intergovernmental agreement or modify the existing intergovernmental agreement with the Urban Renewal Agency of the City of Wilsonville to provide that the Urban Renewal Agency of the City of Wilsonville is obligated to pay tax increment revenues from the West Side Urban Renewal Area and proceeds of any long term financing of the projects financed with Credit Facility to the City in amounts sufficient to pay the amounts due from the City the Credit Facility.
 - (C) Covenant to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, (the "Code") so that interest on the Credit Facility is excludable from gross income under the Code.
 - (D) Amend the Credit Facility to extend its maturity date if the City has not arranged to refinance the Credit Facility prior to its maturity date, and make any changes requested by the Bank in connection with that extension that are approved by the City Official.
 - (E) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.
3. This resolution is effective upon adoption.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 2nd day of June, 2008 and filed with Wilsonville City Recorder this same date.



CHARLOTTE LEHAN, MAYOR

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Councilor Kirk	Yes
Councilor Knapp	Yes
Councilor Ripple	Yes
Councilor Núñez	Yes

**ATTACHMENT A
BORROWING TERMS**

Proposed Terms of the Note:

Type of Facility: Line of credit

Note Amount: \$5,000,000

Maturity: May 1, 2009

Origination Fee: \$10,000

Interest Rate: If Prime Rate: A rate per year equal to 63.5% of Bank of America's Prime Rate, minus a spread of 1.03%. The Prime Rate is the rate of interest publicly announced from time to time by Bank of America as its Prime Rate. Any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of a change in Bank of America's Prime Rate.

If LIBOR Fixed Rate: A rate per year equal to 63.5% of the LIBOR Fixed Rate, plus a spread of 0.69%. The LIBOR Fixed Rate is a fixed rate of interest per annum (rounded upwards, if necessary to the nearest 1/100 of 1%) equal to the British Bankers Association LIBOR Rate as published by Reuters (or other commercially available source) as the London interbank offered rate for deposits in United States Dollars for the applicable interest rate period, as adjusted from time to time in Bank of America's sole discretion for then-applicable reserve requirements, deposit insurance assessment rates and other regulatory costs. The LIBOR Rate shall be renewed upon the expiration of the initial interest period for a like tenor (not exceeding the expiration date of the Line of Credit Facility) and the rate adjusted to the applicable LIBOR Fixed Rate in effect at the time of such renewal. LIBOR Fixed Rate advances with tenors up to 12 months would be available (not exceeding the expiration date of the Line of Credit Facility).

Prepayment: At any time without penalty except for reimbursement of Bank of America's breakage and

redeployment costs in the case of prepayment of LIBOR based borrowings.

Interest Payable:

Calendar quarterly basis

Tax Exempt?

Yes

Bank Qualified?

Yes

Disclosure:

None

Security:

Both the tax increment revenue from the West Side urban renewal area and the full faith and credit pledge of the city.