

RESOLUTION NO. 1238

A RESOLUTION AUTHORIZING A LINE OF CREDIT IN A MAXIMUM PRINCIPAL AMOUNT OF \$4,100,000 TO FINANCE COSTS OF LOCAL IMPROVEMENTS.

WHEREAS, the City Council has approved the creation of a local improvement district via Resolution 1230, dated November 20, 1995, such district to be known as LID No. 12-95-ST. (Canyon Creek North); and

WHEREAS, the cost of the improvements exceed the available resources of the city; and

WHEREAS, the City is authorized under ORS 288.165 to borrow money by entering into a credit agreement, or issuing notes, warrants, commercial paper or other obligations to provide interim financing for capital assets, so long as the obligations mature not later than one year from the estimated completion or acquisition date of the capital assets; and

WHEREAS, ORS 288.165 permits the City to pledge its anticipated taxes, grants, other revenues, the proceeds of any bonds or other permanent financing, or any combination of the foregoing to pay obligations issued; and

WHEREAS, the City finds it will be advantageous to obtain a line of credit in a principal amount of not more than \$4,100,000 with a financial institution to provide interim financing for local improvement projects.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WILSONVILLE as follows:

Section 1. Authorization and Limitation.

The City is hereby authorized to obtain a line of credit from a financial institution to provide interim financing for the costs of LID No. 12-95-ST. (Canyon Creek North) (the "Project") and to pay all costs of issuance thereto, subject to the following limitations:

- 1.1. the principal amount payable by the City under the line of credit shall not exceed Four Million One Hundred Thousand Dollars (\$4,100,000);
- 1.2. the stated interest rate payable by the City under the line of credit (assuming no default) shall not exceed 6 percent per annum (if the line of credit bears interest at a fixed rate) or the prime rate of the provider of the line of credit or another financial institution (if the line of credit bears interest at a variable rate);
- 1.3. all principal and interest payable in connection with any draw under the line of credit which is used to pay for Project costs shall be due not later than one year after the estimated completion date of the Project which will be financed with the draw;

Section 2. Security.

The City pledges the payments it receives from assessments levied fro the project, its taxing power within the limitations of Article XI, Section 11B of the Oregon Constitution, its full faith and credit, and the proceeds of any bonds or other permanent financing for the

Projects to pay amounts due to the provider of the line of credit. The line of credit and related documents shall constitute a "limited tax bond."

Section 3. Bank Purchase

The City reasonably anticipates that it will not issue more than \$10,000,000 of tax -exempt obligations during calendar year 1995. The City hereby designates the Line of Credit as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

Section 4. Delegation.

The City Manager or the City Manager's designee (the "Manager") may, on behalf of the City:

- 3.1. circulate requests for proposals to financial institutions to provide line of credit financing to the City and select an institution to provide the line of credit;
- 3.2. negotiate all terms of, and execute and deliver the line of credit agreement and all related documents (such as a note) which the provider of the line of credit requires to extend credit to the City, subject only to the limitations in Section 1, above, and in ORS 288.165;
- 3.3. make draws under the line of credit to pay for costs of the Projects and to refinance any draws; and,
- 3.4. execute any certificates and take any acts which the Manager reasonable determines are desirable to obtain interim financing for the Projects in accordance with this resolution.

Section 5. Tax-exempt Status

The City covenants not to take any action or omit any action if the taking or omission would cause interest paid on the Line of Credit to be included in gross income of the note holders for federal income tax purposes (except for taxes on corporations.) The City Manager may enter into covenants on behalf of the City to protect the tax-exempt status of the Line of Credit.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 18th day of December, 1995, and filed with the Wilsonville City Recorder this date.


GERALD A. KRUMMEL, Mayor

ATTEST:


Sandra C. King, City Recorder

SUMMARY OF VOTES:

Mayor Krummel	Yes
Councilor Lehan	Yes
Councilor Hawkins	Yes
Councilor Leahy	Absent
Councilor Leo	Yes