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RESOLUTION NO. 2018-19

**A RESOLUTION OF THE CITY OF LINCOLN CITY, OREGON
AUTHORIZING FINANCING FOR POLICE BUILDING
AND PROVIDING FOR RELATED MATTERS**

WHEREAS, the City is authorized by Oregon Revised Statutes (“ORS”) Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed and to authorize obligations evidencing the right to receive the payments due from the City under those financing agreements; and

WHEREAS, the estimated weighted average life of a financing agreement shall not exceed the estimated dollar weighted average life of the real or personal property to be financed or refinanced by such financing agreement; and

WHEREAS, it is desirable to obtain up to \$12.5 million of financing to provide a police building (the “Project”); and

WHEREAS, the City may incur expenditures (the “Expenditures”) to pay costs of the Project prior to the issuance of the financing agreement and wishes to declare its official intent to reimburse itself for any Expenditures the City may make from its own funds on the Project from the proceeds of the financing agreement, the interest on which may be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”);

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Lincoln City, Oregon as follows:

Section 1. Financing Authorized. The City Council hereby authorizes the City to enter into one or more financing agreements (the “Financing Agreements”) to obtain up to an aggregate principal amount of \$12.5 million for the Project pursuant to ORS 271.390. Proceeds of the Financing Agreements may be used to finance the Project and to pay costs related to the financing. The financing agreements authorized by this Section shall be executed and sold pursuant to ORS 271.390, ORS 287A.315, and the other relevant provisions of ORS Chapter 287A, and as provided in this Resolution.

Section 2. Determination of Need. The City Council hereby determines that the Project is needed.

Section 3. Delegation. The City Manager, the Finance Director, or the person designated by the City Manager to act on behalf of the City under this Resolution (each of whom is referred to herein as a “City Official”) is hereby authorized, on behalf of the City and without further action by the City Council, to:

3.1 Negotiate, execute, and deliver one or more Financing Agreements to accomplish the financing authorized in Section 1. Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the City Official may approve.

3.2 Negotiate, execute and deliver one or more escrow agreements or similar documents (the “Escrow Agreements”) that provide for the issuance of one or more series of “full faith and credit obligations” (the “Obligations”) that represent ownership interests in the principal and

1 interest payments due from the City under the Financing Agreements. Subject to the
2 limitations of this Resolution, the Escrow Agreements and each series of Obligations may be
3 in such form and contain such terms as the City Official may approve.

4 3.3 Deem final and authorize the distribution of a preliminary official statement for each series of
5 Obligations, and authorize the preparation and distribution of a final official statement or
6 other disclosure document for each series of Obligations.

7 3.4 Undertake to provide continuing disclosure for each series of Obligations in accordance with
8 Rule 15c2-12 of the United States Securities and Exchange Commission.

9 3.5 Apply for ratings for each series of Obligations, determine whether to purchase municipal
10 bond insurance or obtain other forms of credit enhancements for each series of Obligations,
11 enter into agreements with the providers of credit enhancement, and execute and deliver
12 related documents.

13 3.6 Enter into additional covenants for the benefit of the purchasers of the Obligations which the
14 City Official determines are desirable to obtain more favorable terms for the Financing
15 Agreements.

16 3.7 Appoint and enter into agreements with service providers whose services are desirable for the
17 financing, including bond counsel, municipal advisors, escrow agents, and paying agents.

18 3.8 Determine the final principal amount of each Financing Agreement, the interest rate or rates
19 which each Financing Agreement shall bear, the City's prepayment rights and other terms of
20 each Financing Agreement and each series of Obligations.

21 3.9 Solicit competitive bids for the purchase of the Obligations and award the sale to the bidders
22 offering the most favorable terms to the City, select underwriters to purchase the Obligations
23 and negotiate the terms of the sale of those Obligations with the underwriters, or place any
24 Financing Agreement directly with a commercial bank or other lender.

25 3.10 Issue any qualifying Financing Agreement as a "tax-exempt bond" bearing interest that is
26 excludable from gross income under the Code and enter into covenants to maintain the
27 excludability of interest on those Financing Agreements from gross income under the Code.

28 3.11 Issue any Financing Agreement as a "taxable bond" bearing interest that is includable in
29 gross income under the Code.

30 3.12 Designate any qualifying Financing Agreement as a "qualified tax-exempt obligation"
31 pursuant to Section 265(b)(3) of the Code, if applicable.

32 3.13 Execute and deliver any other certificates or documents and take any other actions which the
33 City Official determines are desirable to carry out this Resolution.

34 Section 4. Security. The Financing Agreements may constitute unconditional obligations of the
35 City, which are payable from all legally available funds of the City. The City Official may pledge
36 the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of
37 Article XI of the Oregon Constitution pursuant to ORS 287A.315.

1 Section 5. Reimbursement Declaration. The City hereby declares its official intent to reimburse
2 itself with the proceeds of the Financing Agreements for any of the Expenditures incurred by it prior
3 to the issuance of the Financing Agreements. This Resolution is adopted as official action of the
4 City in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the
5 Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the City
6 incurred prior to the dates of issue of the Financing Agreements.

7 Section 6. Effective Date. This Resolution is effective immediately upon adoption.

8 PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LINCOLN CITY THIS
9 24TH DAY OF SEPTEMBER, 2018.

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ATTEST:

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DON WILLIAMS, MAYOR


CATHY STEERE, MMC
CITY RECORDER