

RESOLUTION NO. 22-886-07

A RESOLUTION OF THE CITY OF JOHN DAY ADOPTING AN I.R.S. “OFFICIAL INTENT” IN ANTICIPATION OF A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND FROM THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

WHEREAS, City of John Day (“City”) has all powers that the constitutions, statutes, and common law of the United States and Oregon expressly or impliedly grant or allow City; and

WHEREAS, City’s receipt of loan proceeds from the Safe Drinking Water Revolving Loan Fund from the Infrastructure Finance Authority (IFA) is predicated on City adopted an “Official Intent,” as shown in Exhibit A;

NOW, THEREFORE, the City of John Day resolves as follows:

1. Findings. The above-stated findings contained in this Resolution are hereby adopted.
2. Official Intent Approval. The Council approves the Official Intent in the form attached hereto as Exhibit A.
3. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The provisions of this Resolution are hereby declared severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the council to cure editorial and/or clerical errors. This resolution will be in full force and effect from and after its approval and adoption.

APPROVED AND ADOPTED by the City Council of City of John Day and signed by the Mayor this 10th day of May, 2022.

Ron Lundbom, Mayor

Attest:

Nicholas Green, City Manager

Exhibit A. Official Intent

[Enclosed]

EXHIBIT A TO RESOLUTION No. 22-886-07 OF THE CITY OF JOHN DAY
ADOPTION OF AN I.R.S. “OFFICIAL INTENT”

IN ANTICIPATION OF A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND
FROM THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

The John Day city council (the “Governing Body”) of the City of John Day (“City”) finds:

- A. The Safe Drinking Water Act Amendments of 1996, Pub.L. 104-182, as amended (the “Act”), authorize any community or nonprofit non-community water system to file an application with the Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”) to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund.
- B. Such funding may come from the proceeds of tax-exempt government bonds, and consequently impose restrictions on “pre-award” costs that can be reimbursed with such proceeds.
- C. The City intends to incur pre-award costs to be reimbursed with financial assistance from the Safe Drinking Water Revolving Loan Fund, and to qualify those costs as eligible, intends to adopt an official intent in compliance with I.R.S. regulations at Code of Federal Regulations, Title 26, Chapter I - Internal Revenue Service, Department Of The Treasury. Subchapter A - Income Tax. Part 1 - Income Taxes. Tax Exemption Requirements for State and Local Bonds.
- D. The project to be funded consists primarily of the following:
 - a. **Charolais Heights East End Extension and Holmstrom Road.** This project element creates four residential lots fully improved with city specification streets and utilities. Improves the end of the street to current City standards; adds sewer, water, power, and fiber services for four additional lots; and improves emergency access to 7th Street with a street right-of-way and base rock to create an all-weather road. Create 750 linear feet of pavement, new water/sewer lines, storm drain and misc. utilities.
 - b. **The Ridge - Phase 1.** This project includes the expansion of streets and utilities for The Ridge, to develop approximately 18.3 acres with 10 multi-family and single family residential lots. The project will create 2,500 linear feet of new pavement with supporting utility infrastructure installed to city spec. Previous development in the area has stubs for the sewer and water lines to the property. Power and fiber-optics are located overhead at HWY 26 and will be provided underground along the new streets along with new water and sewer lines.
 - c. **Ironwood Estates - Phase 2.** This project includes the expansion of streets and utilities for Ironwood Estates Phase 2, to develop approximately 15.2 Acres for 17 single family residential lots. This project will construct 1,750 linear feet of new pavement by building two new cul-de-sacs and associated utilities for the Phase 2 development. Fiber optic cable will be extended to existing lots in the areas and will also be provided to these new lots by the City through a separate grant award from the Economic Development Administration.
 - d. The principal amount of any loan and forgivable loan for the project is approximately \$1,867,152.

BE IT RESOLVED by the Governing Body of the Recipient as follows:

Reimbursement Bonds. The Recipient may make certain expenditures on the Project prior to the date the Financing Contract is executed with OBDD or the date the State of Oregon issues any bonds to fund the loan. The Recipient hereby declares its intent to seek reimbursement of such expenditures with amounts received from the OBDD pursuant to the Financing Contract, but only as permitted by OBDD policy, the Financing Contract, and federal tax regulations. Additionally, the Recipient understands that the OBDD may fund or reimburse itself for the funding of amounts paid to the Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This [Ordinance/Resolution/Order] 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.

DATED this 10th day of May, 2022.

Ron Lundbom, Mayor

ATTEST:

Nicholas Green, City Manager