



Oregon

Kate Brown, Governor

Department of Administrative Services

Chief Financial Office
155 Cottage Street NE U10
Salem, OR 97301
PHONE: 503-378-3106
FAX: 503-373-7643

August 10, 2021

City of John Day
450 E Main Street
John Day, OR 97845

Re: John Day Aquatics Center Grant Funding from State of Oregon

Dear Nicholas Green:

The 2021 Legislature approved funding for the construction of an aquatics center, through SB 5534, section 31. This funding will be provided as a grant to the City of John Day in the amount of \$2,000,000, to be financed by the issuance of State of Oregon Lottery Revenue Bonds which are expected to be issued in spring 2023, so long as lottery revenues are sufficient to cover the indenture requirements of four-times revenue to debt service coverage ratio.

Your organization will be expected to enter into a grant agreement with the Department of Administrative Services (DAS) no later than January 15, 2023 in order for your project to be included in the spring 2023 Lottery Revenue Bond issuance. A City Government template grant agreement is attached for your review. Please expressly review all of Section 6 – Covenants of Grantee, including the prevailing wage requirements in section 6.L. In the coming months, we will develop a grant agreement specific to your project and send it to you for review and signature. The grant will be provided on a reimbursement basis, as described in the template grant agreement.

If your organization plans to spend money on the project before the state bonds are issued, and later use the bond proceeds to reimburse itself, you will need to request DAS to prepare and execute a *Declaration of Official Intent to Reimburse Capital Costs with Oregon Lottery Revenue Bonds* (Intent). If you would like us to execute an Intent, please let us know so we can provide instructions on the request process.

The grant funds cannot be used to pay off a tax-exempt borrowing and cannot be used to pay interest costs on interim financing for the project. In addition, grant funds can only be used to repay principal of an interim financing with the prior written consent of DAS, as described in the grant agreement.

If you have any questions, please contact Rhonda Nelson, who will be your primary point of contact. Rhonda can be reached by e-mail at rhonda.nelson@oregon.gov or by phone at 971-719-1998. Rhonda will be following up with you to obtain any information she needs to develop the grant agreement. If there is someone else in your organization with whom Rhonda should work directly with, please provide contact information.

Congratulations on this approved funding. We look forward to working with you on this grant funding to support the successful completion of your organization's project.

Sincerely,

Jean Gabriel, DAS Capital Finance Manager

C: Rhonda Nelson, Capital Finance Analyst