

RESOLUTION NO. 931

A RESOLUTION AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF FULL FAITH AND CREDIT OBLIGATIONS TO FINANCE PROJECTS IN THE CITY'S URBAN RENEWAL AREA; DESIGNATING AN AUTHORIZED REPRESENTATIVE, ESCROW AGENT, AND SPECIAL COUNSEL; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT, ESCROW AGREEMENT AND INTERGOVERNMENTAL AGREEMENT; AND RELATED MATTERS.

WHEREAS, the City of Phoenix, Jackson County, Oregon (the "City") is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes Sections 271.390 and 287A.315, to (1) enter into financing agreements to finance real and personal property the City determines is needed, (2) pledge its full faith and credit and taxing power in connection with such financing agreements, and (3) pay the costs of issuance of such financing agreements; and

WHEREAS, the Charter of the City does not (1) prohibit the City from entering into a financing agreement and pledging its full faith and credit as security for the financing agreement, nor (2) require a non-appropriation clause to be included in the financing agreement; and

WHEREAS, capital projects described in the City of Phoenix Urban Renewal Agency's (the "Agency") urban renewal plan (the "Plan") are needed (the "Project"); and

WHEREAS, the City desires to authorize and enter into a financing agreement (the "Financing Agreement") in amount not to exceed \$3,600,000 for the purpose of financing the Project and to pay the costs incidental thereto. In addition, the City may enter into an escrow agreement which will authorize the escrow agent to issue full faith and credit obligations evidencing undivided proportionate interests in the amounts payable by the City under the Financing Agreement; and

WHEREAS, the Financing Agreement will be issued as a full faith and credit obligation of the City, secured by the general, non-restricted revenues of the City and other funds which may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon, the Charter of the City and the statutes of the State of Oregon; and

WHEREAS, the City further finds it is desirable to authorize an intergovernmental agreement with the Agency to receive funds from the Agency to repay all or a portion of the Financing Payments due under the Financing Agreement; and

WHEREAS, the City anticipates incurring expenditures (the "Expenditures") to finance the costs of the Project, described herein, and wishes to declare its official intent to reimburse itself for any Expenditures it may make from its available funds on the Project from the proceeds of the Financing Agreement, the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the City has determined that those moneys advanced to pay the Expenditures prior to the issuance of the Financing Agreement are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the Financing Agreement.

THE CITY OF PHOENIX RESOLVES AS FOLLOWS:

Section 1. Authorization. The Council hereby authorizes:

a. Execution and delivery of a Financing Agreement. The City authorizes the execution and delivery of a financing agreement (the "Financing Agreement") in an amount not to exceed \$3,600,000 to finance the Project and costs incidental thereto, in a form satisfactory to the Authorized Representative, as defined below.

b. Issuance and Sale of Series 2015B Obligations The City authorizes the issuance and sale of Full Faith and Credit Obligations, Series 2015B (the "Series 2015B Obligations") of the City which shall be issued by the escrow agent, for and on behalf of the City, representing the principal amount payable under the Agreement. The Series 2015B Obligations shall be issued at a true effective rate as determined by the Authorized Representative and shall mature on a date set by the Authorized Representative. The City authorizes the execution and delivery of an escrow agreement between the City and the escrow agent (the "Escrow Agreement"), in a form satisfactory to the Authorized Representative, pursuant to which the escrow agent shall execute the Series 2015B Obligations representing the principal amount payable under the Financing Agreement, and evidencing the right of the escrow agent to receive the City's Financing Payments (the "Financing Payments") under the Financing Agreement.

The Series 2015B Obligations shall be issued as a single obligation or in multiple obligations in denominations of \$5,000 each, or integral multiples, as negotiable full faith and credit obligations. The Series 2015B Obligations may be issued as taxable or tax-exempt obligations and shall mature on a date set by the Authorized Representative, as defined below.

Section 2. Financing Payments. The Financing Payments for the Series 2015B Obligations shall be payable from the general, non-restricted revenues of the City, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution, the Charter of the City and statutes of the State of Oregon. The obligation of the City to make Financing Payments shall be a full faith and credit obligation of the City, and is not subject to appropriation. The City expects to pay the Financing Payments entirely from revenues of the Agency to be paid to the City pursuant to the intergovernmental agreement to be entered into with the Agency. The Registered Owners of the Series 2015B Obligations shall not have a lien or security interest on the property financed with the proceeds of the Series 2015B Obligations.

Section 3. Designation of Authorized Representative. The City hereby authorizes the City Manager or Mayor or any designee of the Council (the "Authorized Representative") to act as the authorized representative on behalf of the City and determine the remaining terms of the Series 2015B Obligations as delegated in Section 4 below.

Section 4. Delegation of Final Terms and Sale of Series 2015B Obligations and Additional Documents. The Authorized Representative is authorized, on behalf of the City, to:

- a. approve of and authorize the distribution of the preliminary and final Official Statements, if any, to prospective purchasers of the Series 2015B Obligations;
- b. negotiate the terms under which the Series 2015B Obligations shall be sold, to enter into a Purchase Agreement for sale of the Series 2015B Obligations, and to execute and deliver the Purchase Agreement;
- c. establish the maturity and interest payment dates, dated date, principal amount, capitalized interest (if any), optional and/or mandatory redemption provisions, interest rates, denominations, serial and term maturities, and other terms under which the Series 2015B Obligations shall be issued, sold, executed, and delivered;
- d. negotiate the terms, approve of, execute and deliver the Financing Agreement and the Escrow Agreement and appoint an escrow agent;
- e. determine which fund or funds are available to pay the Financing Payments;
- f. determine whether the Series 2015B Obligations shall be Book-Entry certificates and to take such actions as are necessary to qualify the Series 2015B Obligations for the Book-Entry System of DTC, including the execution of a Blanket Issuer Letter of Representations;
- g. seek to obtain a rating on the Series 2015B Obligations, if determined by the Authorized Representative to be in the best interest of the City;
- h. apply for municipal bond insurance for the Series 2015B Obligations, and expend proceeds to pay the insurance premium, if determined by the Authorized Representative to be in the best interest of the City;
- i. designate the Financing Agreement and the Series 2015B Obligations as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code so long as the City and all subordinate entities do not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations during the calendar year in which the Series 2015B Obligations are issued;
- j. approve, execute and deliver a Tax Certificate; and execute and deliver a Certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Series 2015B Obligations in accordance with this Resolution; and
- k. approve, execute and deliver a continuing disclosure certificate pursuant

to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) for the Series 2015B Obligations; and

1. negotiate the terms of and determine whether or not to enter into an intergovernmental agreement with the Agency in which the City receives funds from the Agency to repay all or a portion of the Financing Payments due under the Financing Agreement. If the Authorized Representative determines the City will enter into an intergovernmental agreement with the Agency, the Authorized Representative is authorized to execute and deliver such intergovernmental agreement.

Section 5. Maintenance of Tax-Exempt Status. The City hereby covenants for the benefit of the Owners of the Series 2015B Obligations issued on a tax-exempt basis to use the Series 2015B Obligation proceeds in the manner required, and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which are required so that interest paid on the Series 2015B Obligations will not be includable in gross income of the Owners of such Series 2015B Obligations for federal income tax purposes. The City makes the following specific covenants with respect to the Code:

a. The City will not take any action or omit any action if it would cause the Financing Agreement or Series 2015B Obligations to become arbitrage bonds under Section 148 of the Code.

b. The City shall operate the projects refinanced with the Series 2015B Obligations so that the Series 2015B Obligations do not become "private activity bonds" within the meaning of Section 141 of the Code.

c. The City shall comply with appropriate Code reporting requirements.

d. The City shall pay, when due, all rebates and penalties with respect to the Series 2015B Obligations which are required by Section 148(f) of the Code.

The covenants contained in this Section 5 and any covenants in the closing documents for the Series 2015B Obligations shall constitute contracts with the owners of the Series 2015B Obligations, and shall be enforceable by them. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing Agreement and the Series 2015B Obligations.

Section 6. Appointment of Escrow Agent. The Authorized Representative is authorized to appoint an Escrow Agent for the issuance of the Series 2015B Obligations and to administer the Escrow Deposit Fund.

Section 7. Appointment of Special Counsel. The City appoints Mersereau Shannon LLP as special counsel to the City for the issuance of the Series 2015B Obligations.

Section 8. Appointment of Underwriter. The City appoints D.A. Davidson & Co. as underwriter for the issuance of the Series 2015 Obligations.

Section 9. Reimbursement. The City hereby declares its official intent to reimburse itself with the proceeds of tax-exempt obligations for any expenditures incurred by it to finance the costs of urban renewal projects prior to issuance of the Financing Agreement.

Section 10. Continuing Disclosure. The City covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement, if any, to be negotiated in connection with the Series 2015B Obligations. Notwithstanding any other provision of this Resolution, failure by the City to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any Registered Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and the Continuing Disclosure Certificate.

Section 11. Preliminary and Final Official Statement. The City shall prepare or cause to be prepared a preliminary official statement for the Series 2015B Obligations which shall be available for distribution to prospective purchasers. In addition, if required, an official statement shall be prepared and ready for delivery to the purchasers of the Series 2015B Obligations no later than the seventh (7th) business day after the sale of the Series 2015B Obligations. When the City determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

Section 12. Closing of the Sale and Delivery of the Series 2015B Obligations. The Authorized Representative is authorized to negotiate with the purchaser as to the terms and conditions of a Purchase Agreement providing for the private negotiated sale of the Series 2015B Obligations. The Authorized Representative is authorized to execute the Purchase Agreement for and on behalf of the City and to execute such additional documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Series 2015B Obligations as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Council of the City.

Section 13. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Series 2015B Obligations by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Series 2015B Obligations, including without limitation the City's covenants and pledges contained in Section 2 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Series 2015B Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

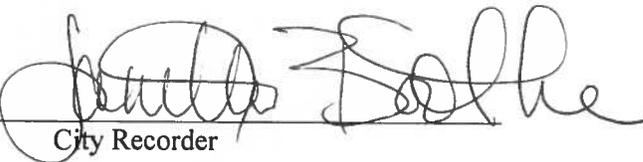
Section 14. Effective Date. This resolution takes effect upon adoption by the City Council.

PASSED by the Council of the City of Phoenix this 3rd day of August 2015.

CITY OF PHOENIX
JACKSON COUNTY, OREGON

By  _____
Mayor

ATTEST:

By  _____
City Recorder