

RESOLUTION NO. 2144

A RESOLUTION OF THE CITY OF HERMISTON, UMATILLA COUNTY, OREGON ADOPTING A STATEMENT OF OFFICIAL INTENT TO REIMBURSE CAPITAL EXPENDITURES FROM THE PROCEEDS OF A BORROWING REASONABLY EXPECTED TO BE ENTERED INTO BY THE CITY

WHEREAS, the City of Hermiston, Umatilla County, Oregon (the “City”) is currently planning the construction, acquisition, installation and equipping of (1) improvements to, and renovations of, the City Library to accommodate temporary offices for City employees and allow for future growth of the Library and (2) a new City Hall (collectively, the “Project”); and

WHEREAS, the City has already incurred, or intends to incur expenditures relating to the Project, all within the meaning of Treasury Regulations §1.150-2(f)(2), and the Council of the City desires to declare its intent to finance all or a portion of the Project with the proceeds of full faith and credit obligations (the “Obligations”), 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 to reimburse the City for any expenditures relating to the Project incurred by the City prior to the issuance of the Obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HERMISTON, UMATILLA COUNTY, OREGON AS FOLLOWS:

Section 1. Reimbursement Resolution. The Council adopts this Resolution as its official intent to allocate from the proceeds of a proposed borrowing reasonably expected to be entered into by the City, capital expenditures made not more than sixty (60) days prior to and following the adoption of this Resolution, to and including the date of the proposed borrowing. Preliminary expenditures in an amount not exceeding 20% of the proceeds of the Obligations or expenditures which do not exceed the lesser of \$100,000 or 5% of the proceeds of the Obligations are not subject to the 60 day limitation stated above. Preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to commencement of acquisition, construction or rehabilitation of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

Section 2. Reimbursement Period. The City shall make the reimbursement allocation from the proceeds of the borrowing to the respective fund or accounts of the City from which the capital expenditures have been made no later than eighteen (18) months after the later of the date of the expenditure or the date that the Project is placed in service, but in no event more than three (3) years after the date of the expenditure. The Council acknowledges that such reimbursement from bond proceeds may be made only to the extent that all other applicable requirements of Treasury Regulations §1.150-2 are met with respect to the tax-exempt borrowing, and hereby directs all City officials and personnel to take such lawful actions as may be necessary or appropriate in order to ensure that such expenditures may be reimbursed from the proceeds of the Obligations to the fullest extent permitted by law.

Section 3. Description of Project. The Project consists of the construction, acquisition, installation and equipping of (1) improvements to, and renovations of, the Hermiston Public Library to accommodate temporary offices for City employees and allow for future growth of the Library, (2) a new City Hall, and (3) related capital projects.

Section 4. Project Cost and Amount of Obligations. It is anticipated that the cost of the Project, including costs incidental thereto, and the reasonably expected maximum principal amount of the Obligations is \$9,000,000.

Section 5. Further Action. The City Manager or Finance Director are hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof in compliance with the applicable provisions of law.

Section 6. Effective Date. Pursuant to ORS 221.310(3), this resolution shall become effective upon passage by the Council.

PASSED by the Council of the City of Hermiston this _____ day of _____, 2020.

**CITY OF HERMISTON
UMATILLA COUNTY, OREGON**

By _____
Mayor

ATTEST:

By _____
City Recorder