



RESOLUTION NO. 6953

A RESOLUTION AUTHORIZING REFUNDING OF AN INTERIM LOAN FROM THE SPECIAL PUBLIC WORKS FUND WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

WHEREAS, the City of Albany is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9); and

WHEREAS, Pursuant to Oregon Revised Statutes [SPWF: 285B.410 through 285B.482] [WW: 285B.560 through 285B.599] (the “Act”), the City obtained a loan for interim financing (the “Interim Loan”) in the principal amount of \$1,769,000 from the State of Oregon, acting by and through its Oregon Infrastructure Finance Authority of the Business Development Department (“the Department”) through the Special Public Works Fund for the financing of the Lochner Road development project within the meaning of the Act by entering into an Interim Financing Contract Project Number K18001 with the Department dated July 25, 2018; and

WHEREAS, the Interim Financing Contract contemplated the possibility of refunding the Interim Loan by including it in the issuance of Oregon Bond Bank Revenue Bonds (the “State Bonds”) and passing the interest rates on the State Bonds through to a new permanent financing loan. The proceeds of any such State Bonds have been pledged as collateral in Exhibit B to the Interim Financing Contract and will be applied to repay the outstanding balance of the Interim Loan as provided in Section 4 D.(1) of the Interim Financing Contract; and

WHEREAS, under current market conditions, including the Loan in an issuance of State Bonds may produce debt service savings for the borrowers whose loans are funded by the State Bonds, including the City; and

WHEREAS, the City desires to refinance the Loan and participate in the Department’s refunding of the Loan by issuing State Bonds. Such participation will achieve debt service savings on the outstanding Loan by paying the Loan in full and replacing it with a permanent financing loan agreement.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council (the “Governing Body”) as follows:

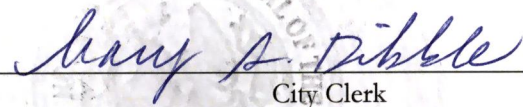
1. Refunding Authorized; Delegation Authorized. The Governing Body authorizes the City Manager, or person designated by the City Manager to act on behalf of the City (the “Authorized Officer”), to enter into a permanent financing loan agreement (“Loan Agreement”) and Promissory Note, to be pledged as collateral for an issuance of State Bonds by executing such Loan Agreement and Promissory Note, and to enter into any agreements and to execute any other documents or certificates as may be required to refund the Loan to achieve debt service savings.
2. Security. Amounts due to the Department pursuant to the Loan Agreement and the Promissory Note shall continue to be secured by a pledge as provided in the Interim Financing Contract, including but not limited to the City pledge of its full faith and taxing power within the limitations of Article XI, Sections 11 and 11b, and as will be provided in Section 7 of the new Loan Agreement.
3. Tax-Exempt Status. The City covenants not to take any action or omit to take any action if the action or omission would cause interest paid by the City pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Authorized Officer may enter into covenants on behalf of the City to protect the tax-exempt status of the interest paid by the City pursuant to the Loan Agreement, and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or their bond counsel to protect the tax-exempt status of such interest.

DATED AND EFFECTIVE THIS 16TH DAY OF DECEMBER 2020.

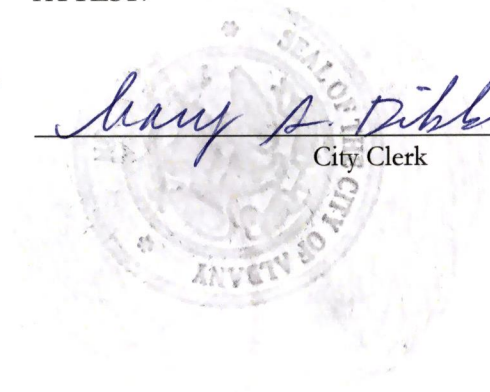


Mayor

ATTEST:



City Clerk





MEMO

TO Albany City Council

VIA Peter Troedsson, City Manager *PT 7/19*

FROM Seth Sherry, Economic Development Manager
Jorge Salinas, Deputy City Manager/CIO

DATE July 17, 2018, for the July 25, 2018, City Council Meeting

SUBJECT: Lochner Road/SnoTemp Infrastructure Funding Agreement

Relates to Strategic Plan themes: *Healthy Economy* - Enhance the value and diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.
Great Neighborhoods - Provide an efficient transportation system with safe streets and alternative modes of transportation.

Actions Requested:

1. Approval of Infrastructure Funding Agreement with Eugene Freezing and Storage (SnoTemp) to support improvements on Lochner (Attachment A).
2. Approval of Immediate Opportunity Fund (IOF) Agreement (Attachment B).
3. Approval of Special Public Works Fund (SPWF) Development Project Interim Financing Contract (Attachment C).

Discussion:

SnoTemp owns property located 3815 Marion Street SE Albany, Oregon, and desires to expand their business at this location including, but not limited to, cold storage facilities. SnoTemp has received land use approval for their expansion with conditions to realign the Marion Street/Lochner Road intersection and improve Lochner Road along the property's frontage. In its existing condition, Lochner Road is not sufficient to meet SnoTemp's needs and does not meet City standards.

In December 2017, Public Works Engineering staff provided a construction cost estimate for the required road improvements of \$3,669,000, inclusive of \$500,000 in contingency. In support of SnoTemp's proposed expansion, Economic Development staff and the Albany-Millersburg Economic Development Corporation have worked closely with state agency partners and the Albany City Council to secure a unique financing package comprised of:

- o Loan [Special Public Works Fund (SPWF)]
- o Grants [SPWF and Infrastructure Opportunity Fund (IOF)]
- o Transportation System Development Charges (TSDCi) cash contributions

	SPWF	SPWF	IOF	TSDCi	Total
Loan	\$1,769,000				\$1,769,000
Grant		\$300,000	\$1,000,000		\$1,300,000
Cash Contribution				\$600,000	\$600,000
					\$3,669,000

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By funding construction of TSDCi-eligible improvements, SnoTemp can receive SDC credits that can be used in lieu of paying TSDCi charges at the time they pull their building permits. As part of the contract negotiations, SnoTemp requested that the term of Albany's TSDC Credit Agreement be extended from 10 to 20 years. SDC Credit Agreement terms are limited to 10 years per Albany Municipal Code (AMC) 15.16.090. Staff supports amending the AMC to provide SDC credits for a 20-year term. Such a change is supported by the fact that the term of Capital Recovery Agreements was recently extended from 10 to 20 years to reflect current conditions. A decision regarding SDC credits is not required prior to acting on the attached contracts. The team chose to include language that would incorporate credits at whatever term is identified in the AMC. Given the time required to amend the AMC and the fact that the credit issue was not key to the partnership, the two issues have been separated. If Council agrees with staff and supports extending the term of SDC Credit Agreements to 20 years, then staff will present an implementing ordinance to Council in August.

The City intends to construct the Marion Street intersection and Lochner Road improvements in summer 2019.

Budget Impact:

\$600,000 TSDC cash contribution; the adopted FY 2018-19 Budget includes a \$600,000 contribution to the project from Transportation SDC Improvement Fee Projects (250-50-2703).

SS:hr

Attachments 3

c: Jeff Blaine, Public Works Engineering & Community Development Director

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RESOLUTION NO. 6725

A RESOLUTION OF THE CITY OF ALBANY, OREGON, AUTHORIZING A LOAN FROM THE BUSINESS OREGON SPECIAL PUBLIC WORKS FUND (SPWF); ACCEPTING A GRANT FROM THE SPWF; ACCEPTING A GRANT FROM THE ODOT IMMEDIATE OPPORTUNITY FUND; AND ENTERING INTO A CONTRACT WITH EUGENE FREEZING AND STORAGE COMPANY FOR THE REPAYMENT OF THE SPWF LOAN

WHEREAS, the City of Albany, Oregon (the "City"), proposes to obtain a loan in the amount of not more than \$1,769,000 from the Oregon Special Public Works Fund ("SPWF") by entering into a contract with the SPWF (the "SPWF Contract") to finance the realignment of the Marion Street/Lochner Road intersection and improve Lochner Road (the "Project"); and

WHEREAS, Section 44 of the City Charter states that the City Council shall not authorize any borrowing unless the borrowing is specifically permitted by Section 44 of the City Charter; and

WHEREAS, Section 44(d) of the Charter states: "The City Council may borrow money without approval of the City's electors if an Oregon statute authorizing the borrowing provides that the authority is not limited by other laws, such as a local charter limitation;" and

WHEREAS, the City Council may authorize the SPWF Contract because ORS 285B.437(3) states "Notwithstanding any other provision of law or any restriction on indebtedness contained in a charter, a municipality may borrow from the Special Public Works Fund by entering into a contract with the authority;" and

WHEREAS, Eugene Freezing and Storage Company d/b/a SnoTemp ("SnoTemp") is willing to pay the debt on the SPWF Contract as more particularly described in the SnoTemp Contract; and

WHEREAS, The SPWF has awarded the City a grant in the amount of \$300,000 to be applied to the Project; and

WHEREAS, The Oregon Immediate Opportunity Fund ("IOF") has awarded the City a grant for the project up to \$1,000,000.00; and

NOW, THEREFORE, the Albany City Council resolves as follows:

Section 1. SPWF Contract Authorized. The City Council hereby authorizes the City to enter into the SPWF Contract with the Business Oregon Special Public Works Fund in the amount of not more than \$1,769,000 (Exhibit A) to finance the Projects. The City Manager or a person designated by the City Manager shall be authorized to act under this resolution, each of whom is referred to in this resolution as a "City Official," may on behalf of the City and without further action by the City Council:

- (1) negotiate the final terms of the SPWF Contract,
- (2) pledge the City's full faith and credit and taxing power to pay amounts due from the City under the SPWF Contract;

- (3) execute the SPWF Contract and any other documents, and take any other actions, that the City Official determines are desirable to borrow up to \$1,769,000 from the SPWF the Project.

Section 2. Contract with SnoTemp Authorized. The City Council hereby authorizes the City Manager to enter into an agreement with SnoTemp whereby SnoTemp agrees to pay the amounts due from the City under SPWF Contract and any liability that the City may incur regarding the acceptance of the IOF Grant and SPWF Grant. The agreement shall be in substantially the form attached to this resolution as Exhibit B, but with such changes as the City Manager may approve. The City Manager is hereby authorized, on behalf of the City and without further action by the City Council, to finalize the terms of and execute the agreement and take any other action desirable to put the agreement into effect.

Section 3. Acceptance of SPWF Grant. The City hereby accepts the grant award from the SPWF (Exhibit A). The Mayor or his/her designee is hereby authorized to execute and submit any and all grant documents necessary to receive and expend the grant.

Section 4. Acceptance of IOF Grant. The City hereby accepts the grant from the IOF (Exhibit C). The Mayor or an alternative elected official as designated by the Mayor is hereby authorized to execute and submit any and all grant documents necessary to receive and expend the grant.

Section 5. Effective Date. This resolution is effective immediately upon adoption.

DATED THIS 25TH DAY OF JULY 2018.



Mayor ACTING MAYOR

Attest:



City Clerk

