

RESOLUTION NO. 1933

ACCEPT A BID OFFER FROM BANK OF AMERICA AND AUTHORIZE A \$15 MILLION LINE OF CREDIT TO FINANCE ROAD PROJECTS IN THE WEST SIDE URBAN RENEWAL AREA AND TO BE REPAID BY 2008.

WHEREAS, City of Wilsonville Resolution 1913 adopted December 6, 2004 authorized a loan application to the Oregon Infrastructure Bank for financing road improvements in the West Side urban renewal area; and,

WHEREAS, staff indicated that it would seek proposals from local financial institutions in addition to the Oregon Infrastructure Bank and did so via a Request For Proposals process (borrowing terms in Attachment A); and,

WHEREAS, city staff discussed the application and loan process with the Oregon Infrastructure Bank and determined that it was not viable given the requirement for penalties due to early retirement of debt; and,

WHEREAS, the responses from the financial institution are tabulated in Attachment B; and,

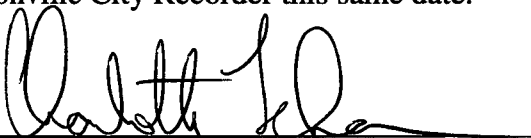
WHEREAS, the lowest potential total interest and closing costs were offered by Bank of America.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. To accept the Bank of America proposal to provide variable rate financing with a \$15,000 loan origination fee.
2. To authorize the Finance Director, or the Finance Director's designee, (each of whom is described in this resolution as a "City Official") to:
 - (A) Enter into an intergovernmental agreement (the "Intergovernmental Agreement") with the Urban Renewal Agency of the City of Wilsonville that obligates the agency to pay tax increment revenues from the West Side urban renewal district to the City in amounts sufficient to pay the amounts due under the Credit Facility that is authorized by Section 2(B).

- (B) Negotiate the terms of, execute and deliver a line of credit or similar instrument (a "Credit Facility") pursuant to ORS 288.165 with Bank of America, N.A. (the "Bank") for the purposes described in this resolution. The City Official may pledge the City's full faith and credit, the proceeds of any long term financing for the projects financed with the Credit Facility, and all amounts the City receives under the Intergovernmental Agreement, to pay the amounts due under the Credit Facility. Subject to the limitations of this resolution, the Credit Facility may be in such form and contain such terms as the City Official may approve.
- (C) Covenant to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, (the "Code") so that interest on the Credit Facility is excludable from gross income under the Code, and designate the Credit Facility as a "qualified tax-exempt obligation" under Section 265 of the Code.
- (D) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 18th day of April, 2005 and filed with Wilsonville City Recorder this same date.


 CHARLOTTE LEHAN, MAYOR

ATTEST:


 Sandra C. King, CMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Council President Kirk	Yes
Councilor Holt	Yes
Councilor Scott-Tabb	Yes
Councilor Knapp	Yes

ATTACHMENT A
REQUEST FOR PROPOSAL BORROWING TERMS
(excerpt from RFP)

Proposed Terms of the Note:

Type of Facility:	bond anticipation note / line of credit
Note Amount:	\$15,000,000
Maturity:	May 1, 2008
Prepayment:	Without Penalty beginning May 1, 2006
Interest Payable:	At Maturity
Tax Exempt?	Yes
Bank Qualified?	No
Closing Date:	Not later than Mid-June, 2005
Disclosure:	None
Security:	The City seeks proposals for two scenarios: 1) both the tax increment revenue from the West Side urban renewal area and the full faith and credit pledge of the city, and, 2) just the tax increment revenue stream from the West Side urban renewal area.

**EXHIBIT B
TABULATION OF BIDS OFFERED**

	<u>September-05</u>	<u>January-06</u>	<u>March-06</u>	<u>June-06</u>	<u>September-06</u>	<u>January-07</u>	<u>September-08</u>	Total Interest Cost and Loan Origination Fee
Cumulative draws	\$ 1,000,000	\$ 2,000,000	\$ 5,000,000	\$ 8,000,000	\$ 11,500,000	\$ 15,000,000	\$ 15,000,000	
Assumed interest rate	5.75%	6.00%	6.25%	6.50%	6.50%	6.50%	6.50%	
USNB								
65% of Prime	\$ 9,344	\$ 19,500	\$ 50,781	\$ 84,500	\$ 121,469	\$ 158,438	\$ 475,313	934,344
.10% Origination	\$ 15,000							
West Coast								
Prime less 2.5	\$ 8,125	\$ 17,500	\$ 46,875	\$ 80,000	\$ 115,000	\$ 150,000	\$ 450,000	870,000
\$2,500 Origination	\$ 2,500							
NOTE:REQUIRES SEMI ANNUAL PAYMENTS								
Key Bank								
Prime less .6 times .65	\$ 8,369	\$ 17,550	\$ 45,906	\$ 76,700	\$ 110,256	\$ 143,813	\$ 431,438	841,531
\$7,500 Origination	\$ 7,500							
Key Bank								
Fixed at 4.48	\$ 11,200	\$ 22,400	\$ 56,000	\$ 89,600	\$ 128,800	\$ 168,000	\$ 504,000	987,500
\$7,500 Origination	\$ 7,500							
Bank of America								
63.5% of Prime minus .39	\$ 8,153	\$ 17,100	\$ 44,734	\$ 74,750	\$ 107,453	\$ 140,156	\$ 420,469	827,816
.10% Origination	\$ 15,000							
Bank of America								
63.5% of Prime plus 1.22	\$ 12,178	\$ 25,150	\$ 64,859	\$ 106,950	\$ 153,741	\$ 200,531	\$ 601,594	1,195,003
.20% Origination	\$ 30,000							
TAX INCREMENT ONLY								

Note: Only Bank of America provided a borrowing option that pledged only the West Side tax increment stream as security.