

RESOLUTION NO. 2020-16

A RESOLUTION OF THE CITY OF HOOD RIVER, AUTHORIZING THE ISSUANCE OF FULL FAITH AND CREDIT BONDS FOR A TOTAL OF NOT TO EXCEED \$5,526,215 AND PROVIDING FOR PUBLICATION OF NOTICE.

WHEREAS, the City Council of the City of Hood River, Oregon (the "City") is authorized to issue bonds for a public purpose by ORS 287A.150 and related provisions of ORS 287A (the "Act"), which states that those bonds may be payable from all or any portion of the "revenue" of the City, as defined in ORS 287A.001(16).

WHEREAS, ORS 287A.001(16) defines "revenue" to mean all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled.

WHEREAS, the City finds that it is financially feasible and in its best interests to finance stormwater improvements for the City (the "Project").

WHEREAS, the cost of the Project, including bond issuance costs and debt service reserves, is currently estimated to be approximately \$4,526,215. The City expects to obtain financing for the cost of the Project from the Oregon Department of Environmental Quality ("DEQ") Clean Water State Revolving Fund and the United States Department of Agriculture Rural Development ("USDA") by issuing the bonds authorized hereunder to DEQ and USDA. The City may also enter into loans and/or obtain grants from the DEQ and USDA for portions of the cost of the Project.

The City resolves as follows:

Section 1. Bonds Authorized. The City is hereby authorized to issue bonds (the "bonds") pursuant to the Act to finance the Project, including a contingency for potential cost overruns, and costs of issuance in an aggregate principal amount not to exceed \$5,526,215.

Prior to selling the bonds the City Council shall establish by resolution:

- (a) The method of bond sale;
- (b) All the financial terms and covenants related to the bonds, including the final principal amount, payment dates, and redemption provisions;
- (c) The amount of any reserves to be established for the bonds and the manner in which the reserves shall be funded;
- (d) The covenants which the City will make with bondowners, including those regarding operation of the Project;
- (e) Additional security for the bonds; and

(f) Any other terms, conditions or covenants regarding the bonds, the Project or the City's revenues which are necessary or desirable to effect the sale of the bonds.

Section 2. Notice; Procedure.

(a) No bonds may be sold, and no purchase agreement for the bonds may be executed, until at least sixty (60) days after publication of the Notice of Bond Authorization, which is attached to this resolution as Exhibit "A" (the "Notice"). The Notice shall specify the last date on which petitions may be submitted, and shall be published in at least one newspaper of general circulation in the City in the same manner as are other public notices of the City.

(b) If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's electors, are received within the time indicated in the Notice, the question of issuing the bonds shall be placed on the ballot at the next legally available election date. If such petitions are received, no bonds may be sold until this resolution and the question of issuing the bonds is approved by a majority of the electors of the City who vote on that question.

(c) The bonds shall be issued and sold in accordance with the Act.

Section 3. Security.

Pursuant to ORS 287A.315, the bonds shall be payable from all lawfully available funds of the City, and shall be secured by the City's full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b, of the Oregon Constitution. The City Council may also pledge additional revenues to secure the bonds pursuant to the Act and the resolution to be adopted pursuant to section 1 of this resolution before the sale of the bonds.

Section 4. Reimbursement.

The City hereby declares its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations to reimburse itself for expenditures it makes for the Project with the proceeds of a future financing.

Section 5. Effective Date.

This resolution shall take effect upon its adoption.

ADOPTED by the City Council of the City of Hood River, Oregon, this 13th day of October, 2020.



Mayor

Attest:

Approved as to form:


City Recorder
City Attorney

EXHIBIT A
Notice of Bond Authorization

NOTICE IS HEREBY GIVEN that the City Council of the City of Hood River, Oregon (the "City"), adopted Resolution No. 2020-16 on October 12, 2020, authorizing the issuance of bonds to finance stormwater improvements for the City, and bond issuance costs.

The bonds will be issued in a principal amount of not more than \$5,526,215. The bonds will be secured by all lawfully available funds of the City and a pledge of the City's full faith and credit and taxing power, as permitted by ORS 287A.315. Neither the authorization nor issuance of the bonds described in this notice will authorize the City to levy any additional taxes.

The City Council may establish by subsequent resolution all terms, conditions and covenants regarding the bonds and the security which are necessary or desirable to effect the sale of the bonds.

If written petitions, signed by not less than five percent (5%) of the City's electors, are filed at the City offices on or before _____, 2020 (the 61st day after the date of publication of the notice), the questions of issuing the bonds shall be placed on the ballot at the next legally available election date.

The City offices are located at 211 2nd Street, Hood River, Oregon 97031 and a copy of the resolution authorizing the bonds is available from the City Recorder at that location.

The bonds will be issued and sold pursuant to Oregon Revised Statutes Section 287A.150 and related statutes; this notice is published pursuant to ORS 287A.150(4).

BY ORDER OF THE CITY OF HOOD RIVER,
OREGON.



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

July 10, 2020

To: Recipients of Grants Authorized by HB 5030 in 2019 Legislative Session

Re: Status of Grant Funding from State of Oregon

The effects of the coronavirus pandemic have reached every corner of Oregon and created considerable financial uncertainties and challenges. Lottery revenues have been particularly impacted by the closure of bars and restaurants and the temporary inactivation of video lottery terminals. Based on the Office of Economic Analysis (OEA) June 2020 Economic and Revenue Forecast, lottery revenues for the 2019-21 biennium are projected to be 23.7% less than what was forecasted when Lottery Bonds were authorized in the 2019 legislative session.

Due to this projected decrease in revenues, the State Debt Policy Advisory Commission (SDPAC) analyzed the impact of the updated forecast on the state's capacity to issue debt in the current and future biennia. Unfortunately, lottery revenues are forecast to be insufficient for the State to issue additional Lottery Bonds in the 2019-21 biennium. As a revenue bond, secured by lottery revenues, the State's Lottery Bond indenture requires a four-times revenue to debt service coverage ratio. SDPAC projects that the lottery debt service coverage ratio on previously issued and outstanding lottery bonds will only be 3.1 times in fiscal year 2021. Therefore, Lottery Revenue Bonds will not be issued in the spring of 2021, as was originally planned. This means funding will not be available for grants that were approved by the Legislature in House Bill 5030 (2019).

We recognize that the lack of anticipated grant funding represents a considerable setback for projects and will notify recipients if the official projection of lottery revenues in the OEA September or December 2020 forecast improves to a level that would support the issuance of additional Lottery Bonds this biennium. However, based on the most current information we have, the 2019-21 lottery bond sale will not be completed. Therefore, we will not move forward with the execution of any Declaration of Official Intent to Reimburse Capital Costs with Oregon Lottery Revenue Bonds or grant agreements.

During the 2021 legislative session, the projects that did not get funded in the 2019-21 biennium will be re-evaluated by the Legislature for inclusion in a future Lottery Bond sale in the 2021-23 biennium. Grant requests will need to be updated with current project information and resubmitted to the Legislative Fiscal Office during the 2021 session.

If you have any questions, please contact me at (503) 378-3107 or by e-mail at jean.l.gabriel@oregon.gov.

Sincerely,

Jean Gabriel
Department of Administrative Services, Capital Finance Manager

		Project Cost		
Design, Admin, Legal & Permitting		959,235	-	
Phase 1a - Construction		856,970	-	
Phase 1b - Construction		385,660	-	
Phase 2 - Construction		1,502,160	-	
Phase 3 - Construction		1,016,220	-	
Phase 4 - Construction		662,940	-	
Estimated Private Property Costs			803,461	
		\$ 5,383,185	\$ 803,461	Available to
		Public	Private	Allocate
DEQ CWSRF	\$ 1,344,895	\$ 1,344,895	Not Eligible	\$ -
USDA RUS Loan/Grant	3,181,320	3,181,320	Not Eligible	-
OR Lottery Revenue	-	No Longer Available		-
Local Improvement Dist.	5,383,185	-	Not Eligible	5,383,185
Urban Renewal	2,700,000	-	-	2,700,000
Land Owners	803,461	Not Eligible	-	803,461
Stormwater Utility	5,383,185	-	Not Eligible	5,383,185
Funding Gap		\$ (4,405,987)	\$ (803,461)	
Funded Status		18%	0%	