

## RESOLUTION NO. 3362

RESOLUTION OF THE CITY OF BEND, OREGON AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF FULL FAITH AND CREDIT OBLIGATIONS, IN ONE OR MORE SERIES, TOGETHER OR SEPARATELY, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$11,300,000 NECESSARY FOR THE PURPOSES OF ACQUIRING REAL PROPERTY AND FUNDING CAPITAL PROJECTS, PLUS AN AGGREGATE PRINCIPAL AMOUNT SUFFICIENT TO REFUND ALL OR A PORTION OF CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY, IF FEASIBLE, AND PAYING COST OF ISSUANCE RELATED THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT OR OTHER FINANCING AGREEMENT AND RELATED ISSUANCE AND SALE DOCUMENTS; AND AUTHORIZING SUCH OTHER AGREEMENTS, CERTIFICATES AND DOCUMENTS AS MAY BE NECESSARY AND APPROPRIATE TO CARRY OUT SUCH TRANSACTION; DESIGNATING AUTHORIZED REPRESENTATIVES AND DELEGATING AUTHORITY; AND RELATED MATTERS.

### Findings:

The City Council (the "City Council") of the City of Bend, Oregon (the "City") finds the following:

A. The City is authorized by Oregon Revised Statutes ("ORS") 271.390, to enter into contracts for the financing of any real or personal property that the governing body determines is needed and secure such contracts with a pledge of lawfully available funds.

B. ORS 287A.315 provides that a public body may pledge its full faith and credit and taxing power when it issues an obligation that is secured by all lawfully available funds of the public body.

C. The City is additionally authorized by ORS 287A.360 to refund outstanding obligations of the City and secure such current refunding obligations with a pledge of the full faith and credit of the City as provided in ORS 287A.315.

D. The City issued its City of Bend Full Faith and Credit Obligations, Series 2022, in an aggregate principal amount of \$5,800,000, on June 28, 2022 (the "Refunded Obligations"), and the City has determined to potentially refund, subject to market conditions, all or a portion of the Refunded Obligations, subject to meeting debt service savings consistent with the City's Fiscal Policies.

E. The City has determined that it is financially feasible and in the City's best interests and will serve a public purpose to authorize the sale, issuance and delivery of full faith and credit obligations (the "2024 Obligations") in one or more series, from time to time, together or separately, in an amount sufficient to (i) acquire real and personal property including, without limitation, in connection with the potential redevelopment of the Core Area of the City of Bend, including affordable housing, a civic plaza, and other public uses, such as a new City Hall ("Core Area Redevelopment Projects" ), (ii) fund other capital projects permitted under ORS 271.390 (the "Other Capital Projects") and together with the Core Area

Redevelopment Projects, the "New Money Projects"), (iii) refund the Refunded Obligations, if feasible, and (iii) pay costs of issuance (collectively, the "Project").

F. It is in the best interest of the City to authorize the execution and delivery of a purchase agreement or other financing agreement (the "Financing Agreement"), establishing the terms and conditions of the purchase and sale of the 2024 Obligations in a method to be determined by the authorized representative of the City as provided herein, and such other agreements, certificates and documents as may be necessary to provide for the financing of the Project, and the terms and conditions for the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations (collectively, the "Financing Documents").

G. The City adopts this Resolution to authorize and provide for (i) the execution and delivery of the 2024 Obligations and the Financing Documents related thereto consistent with this Resolution; and (ii) authorization of certain officials and employees of the City to take action on the City's behalf and to determine the method of purchase and sale of the 2024 Obligations and to negotiate, execute and deliver the 2024 Obligations and related Financing Documents.

Based on these findings, the City Council of the City of Bend resolves as follows

**Section 1. Authorization of the 2024 Obligations.** The City authorizes the issuance, sale, execution and delivery of the 2024 Obligations, in one or more series, together or separately, from time to time, to be designated the "City of Bend, Oregon Full Faith and Credit Obligations, Series 2024" in an aggregate principal amount not to exceed \$11,300,000, to pay all or a portion of the costs of the New Money Projects and to pay costs of issuance, and in an aggregate principal amount sufficient to refund the Refunded Obligations, if feasible. The 2024 Obligations may be issued in any combination of (1) tax-exempt obligations (the "Tax-Exempt Obligations") or (2) federally taxable obligations (the "Taxable Obligations"). The true interest cost on the 2024 Obligations issued shall not exceed five percent (5.00%) per annum for fixed-rate Tax-Exempt Obligations and the true interest cost shall not exceed six percent (6.00%) per annum for fixed-rate 2024 Obligations designated as Taxable Obligations. In no event shall the true interest cost for 2024 Obligations issued on a variable rate basis exceed twelve percent (12%) per annum. The terms and conditions for the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations shall be established consistent with the authorization of this Resolution.

**Section 2. Authorized Representative.** The City authorizes and directs the City Manager, Chief Financial & Administrative Officer, Finance Director or their respective designees (each, an "Authorized Representative"), without further approval by the City Council, each acting individually, to act on behalf of the City and evaluate, negotiate, enter into, execute, deliver on behalf of the City the Financing Documents related to the sale, execution and delivery of the 2024 Obligations, as may in the judgment of such Authorized Representative be in the best interests of the City and to determine the terms of the 2024 Obligations in a manner consistent with and in furtherance of this Resolution, including as set forth in Section 6 herein.

**Section 3. Security.** The City pledges its full faith and credit and taxing powers as contemplated by ORS 287A.315 to the payment of the 2024 Obligations. The 2024 Obligations shall be secured by and payable from the City's general non-restricted revenues and other funds that are lawfully available for that purpose, including, the proceeds of the 2024 Obligations, subject to the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the City in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The owners of the 2024 Obligations will not have a lien or security interest on any projects financed or refinanced with the proceeds of the 2024 Obligations including, without limitation, the New Money Projects.

**Section 4. Refunding the Refunded Obligations.** Pursuant to ORS 287A.360 and ORS 287A.365, the City authorizes a portion of the proceeds of the 2024 Obligations to be applied to refund all or a portion of one or more of the Refunded Obligations.

**Section 5. Tax-Exempt Status and Covenant as to Arbitrage.** The City covenants to use the proceeds of any Tax-Exempt Obligations and the project financed or refinanced with the proceeds of such Tax-Exempt Obligations, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") so that the interest components paid pursuant to the Tax-Exempt Obligations will not be includable in gross income of the Registered Owners of such Tax-Exempt Obligations for federal income tax purposes. The City specifically covenants:

- (a) To comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any required rebates and penalties with respect to the Tax-Exempt Obligations;
- (b) To operate the facilities financed or refinanced with the proceeds of the Tax-Exempt Obligations so that the Tax-Exempt Obligations are not "private activity bonds" under Section 141 of the Code;
- (c) To comply with all applicable reporting requirements.

Each Authorized Representative is authorized and directed, on behalf of the City without further approval of the City Council, to enter into covenants on behalf of the City to maintain the tax-exempt status of the interest components of the Tax-Exempt Obligations.

**Section 6. Delegation for Establishment of Terms and Sale of the 2024 Obligations.** Pursuant to ORS 287A.300, each Authorized Representative, acting singly, is authorized and directed, on behalf of the City without further approval of the City Council to take or direct to be taken all such further actions as may be necessary, desirable or appropriate in the opinion of the Authorized Representative in connection with the 2024 Obligations or to carry out the purposes of this Resolution, including but not limited to:

- (a) Evaluate and determine favorable terms and conditions for the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations and the Financing Documents, subject to a determination by the Authorized Representative that such terms are beneficial to the City to obtain good financing terms for the 2024 Obligations, including:

(1) Soliciting bids, including subsequent updated bids if necessary based on market conditions, from and selecting the method of purchase of the 2024 Obligations by a banking institution (the "Bank"), which may occur through a direct private placement with a Bank, a negotiated public sale with a Bank serving as underwriter, or a public, competitive offering of the 2024 Obligations for sale to a Bank;

(2) Negotiating, executing and delivering the Financing Agreement with the Bank, as purchaser or underwriter, to establish the terms and conditions for the purchase and sale of the 2024 Obligations, including, without limitation, the terms and conditions for the issuance of the 2024 Obligations, the principal and interest payment dates, redemption or prepayment provisions, defeasance provisions, registration, covenants for financial reporting and other covenants necessary and appropriate for the issuance of the 2024 Obligations;

(b) Designate all or any portion of the 2024 Obligations as Tax-Exempt Obligations or Taxable Obligations;

(c) Select all or any portion of the maturities of the Refunded Obligations to be refunded, irrevocably call for redemption those maturities of the Refunded Obligations selected for refunding with the proceeds of the 2024 Obligations on the earliest date those maturities are subject to redemption, and cause notice of redemption to be given as required;

(d) Approve the form of the 2024 Obligations and take actions, if necessary, to qualify the 2024 Obligations for the book-entry system of The Depository Trust Company, and provide for the authentication, registration, payment, exchange and transfer of the 2024 Obligations;

(e) Execute and deliver the 2024 Obligations, the Financing Agreement, the Financing Documents, and any other agreements, certificates, documents and opinions required in connection with the purchase, sale, issuance, execution, delivery and administration of the 2024 Obligations;

(f) Enter into covenants regarding the use of the proceeds of the 2024 Obligations received by the City and the use of the projects refinanced by the 2024 Obligations to maintain the status of any 2024 Obligations designated as Tax-Exempt Obligations; and;

(g) Determine, if necessary, the form and content of the preliminary and final disclosure documents in connection with a public sale of the 2024 Obligations;

(h) Request and obtain ratings of the 2024 Obligations, if determined by the Authorized Representative to be in the best interest of the City and expend proceeds of the 2024 Obligations to pay for such ratings;

(i) Establish and fund a debt service reserve, if necessary or desirable, for the 2024 Obligations;

(j) If applicable, negotiate and establish, if necessary, the terms of and execute and deliver an undertaking to provide ongoing disclosure (the "Continuing Disclosure

Certificate”) for the benefit of owners of the 2024 Obligations that satisfies the requirements of Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12;

(k) If applicable, solicit proposals for services and/or select a paying agent and registrar for the 2024 Obligations;

(l) Execute and deliver a certificate specifying the actions taken pursuant to this Resolution and take such other actions and execute and deliver any other agreements, certificates and documents that an Authorized Representative determines are necessary to execute and deliver the Financing Agreement and to offer and sell the 2024 Obligations in accordance with this Resolution.

**Section 7. Appointment of Special Counsel and Financial Advisor.** The City hereby appoints Orrick, Herrington & Sutcliffe LLP of Portland, Oregon, as Special Counsel to the City with respect to the 2024 Obligations, and PFM Financial Advisors LLC as Financial Advisor to the City with respect to the 2024 Obligations.

**Section 8. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the 2024 Obligations by 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 pursuant to ORS 287A.315 and ORS 287A.325, or any successor statute. The covenants, pledges and representations contained in this Resolution, or in the closing documents executed in connection with the 2024 Obligations, including without limitation the City’s covenants and pledges contained in Section 3, and the other covenants and agreements 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 2024 Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

**Section 8. Effective Date of Resolution.** This Resolution shall become effective immediately upon its adoption by the City Council.

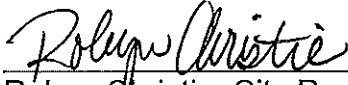
Adopted by a vote of the Bend City Council on February 21, 2024.

YES: Mayor Melanie Kebler  
Councilor Barb Campbell  
Councilor Anthony Broadman  
Councilor Ariel Méndez  
Councilor Mike Riley

NO: none

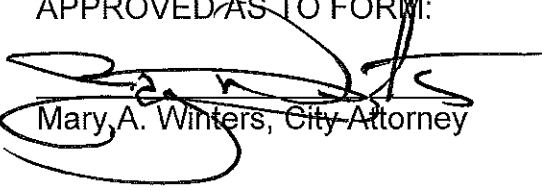
  
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Melanie Kebler, Mayor

ATTEST:



Robyn Christie, City Recorder

APPROVED AS TO FORM:



Mary A. Winters, City Attorney