

RESOLUTION NO. 3417

A RESOLUTION OF THE BEND CITY COUNCIL, AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF FULL FAITH AND CREDIT BONDS, IN ONE OR MORE SERIES, TOGETHER OR SEPARATELY, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT OF UP TO \$105,000,000, FOR THE PURPOSES OF FINANCING ALL OR A PORTION OF THE COSTS OF TRANSPORTATION INFRASTRUCTURE IMPROVEMENTS, STORMWATER INFRASTRUCTURE IMPROVEMENTS, ACQUIRING VEHICLES AND EQUIPMENT, FUNDING CAPITAL PROJECTS, LOANING FUNDS TO THE BEND URBAN RENEWAL AGENCY FOR ELIGIBLE PROJECTS, REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY AND THE BEND URBAN RENEWAL AGENCY, AND PAYING COSTS OF ISSUANCE RELATED THERETO; AUTHORIZING A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY; AUTHORIZING THE EXECUTION AND DELIVERY OF FINANCING, LEGAL AND DISCLOSURE DOCUMENTS; DESIGNATING AUTHORIZED REPRESENTATIVES AND DELEGATING AUTHORITY; PROVIDING FOR PUBLICATION OF NOTICE; 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 pursuant to the laws of the State of Oregon, including the applicable provisions of Oregon Revised Statutes ("ORS") chapter 287A and the City Charter to issue "revenue bonds" as defined in ORS 287A.010 for any public purpose and to secure those bonds with a pledge of the full faith and credit of the City as provided in ORS 287A.315.
- B. It is financially feasible and in the best interest of the City and will serve a public purpose to issue the City of Bend, Oregon Full Faith and Credit Bonds, Series 2025 (the "Bonds"), in one or more series, from time to time, to (i) finance all or a portion of the costs of transportation infrastructure improvements, (ii) finance all or a portion of the costs of stormwater infrastructure improvements, (iii) finance the acquisition of vehicles and equipment, (iv) finance capital projects including, without limitation, the new Public Works campus, (v) loan funds to the Bend Urban Renewal Agency ("BURA") for eligible projects and (vi) pay costs of issuance of the Bonds, including, without limitation, the funding of any required reserves and payment of costs in connection with obtaining a Credit Enhancement Device (a "Credit Enhancement Device" as defined in ORS chapter 287A) for the Bonds, if beneficial to the City (collectively, the "Project").
- C. The City has multiple series of full faith and credit bonds and obligations currently outstanding ("Refunded Obligations"). For purposes of achieving debt service payment savings or more efficiently managing the City's debt portfolio, the Authorized Representative (as defined herein) may determine to refund, subject to

market conditions, all or a portion of one or more of the Refunded Obligations under the authority of ORS 287A.360 and ORS 287A.365.

D. Upon adoption of this Resolution, the City will cause Notice of the Bonds to be published in The Bend Bulletin, pursuant to ORS 287A.150 and as provided for herein in Section 5, and none of the Bonds may be sold, and no purchase agreement for the Bonds may be executed, until at least sixty (60) days following publication of the notice.

Based on these findings, the City Council resolves as follows:

SECTION 1. Authorization of the Bonds. The City Council authorizes the issuance, sale, execution and delivery of the Bonds, in one or more series, together or separately, from time to time, to be designated the "City of Bend, Oregon Full Faith and Credit Bonds, Series 2025" in an aggregate principal amount not to exceed \$105,000,000. The proceeds of the Bonds shall be used for the purpose of financing the Project and refunding the Refunded Obligations. The Bonds may be issued such that interest on the Bonds is tax-exempt or federally taxable, as designated by the Authorized Representative (defined below). The true interest cost on the Bonds issued shall not exceed six percent (6.00%) per annum for Bonds designated as tax-exempt, and the true interest cost shall not exceed seven percent (7.00%) per annum for Bonds designated as federally taxable. The Bonds may be signed with the manual or facsimile signature of an Authorized Representative (defined below) and shall be manually authenticated by the Bond Registrar (defined below). The terms and conditions for the sale, issuance, execution, delivery and administration of the Bonds shall be established consistent with the authorization of this Resolution.

SECTION 2. Security. The Bonds 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 Bonds and revenues from an ad valorem tax authorized to be levied under the City's permanent rate limit under sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes and fees, 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 or restricted or obligated by law or contract to an inconsistent expenditure or use. The City pledges its full faith and credit and taxing powers as contemplated by ORS 287A.315. The owners of the Bonds will not have a lien or security interest in the Project financed with the proceeds of the Bonds or the projects financed by the Refunded Obligations.

SECTION 3. Refunding the Outstanding Obligations. Pursuant to ORS 287A.360 and ORS 287A.365, the City authorizes a portion of the proceeds of the Bonds to be applied to refund all or a portion of one or more of the Refunded Obligations.

SECTION 4. Designation, Authorization and Direction of Authorized Representative; Bond Documents.

(a) The City authorizes and directs the City Manager or the Chief Financial Officer or each of their respective designees (each, an "Authorized Representative"), Resolution No. 3417
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without further approval by the City Council, to evaluate, negotiate, enter into, execute, deliver and otherwise implement on behalf of the City, the terms and conditions for the issuance, sale, execution and delivery and administration of the Bonds, as may in the judgment of such Authorized Representative be in the best interests of the City and in a manner consistent with and in furtherance of this Resolution, including as specified in Section 5 herein.

(b) The Authorized Representative is further authorized and directed on behalf of the City to negotiate, review, execute and deliver all necessary documents, including bond issuance declarations or certificates, financing agreements, redemption/prepayment notices, escrow agreements, escrow deposit agreements for the Refunded Obligations, if necessary, supplemental actions and such other agreements or certificates (collectively, the "Bond Documents"), in connection with the offering, sale, administration, execution and delivery of the Bonds pursuant to the authorization of this Resolution.

SECTION 5. Tax Covenants. The City covenants to use the proceeds of the Bonds that are designated as tax-exempt (the "Tax-Exempt Bonds") and the facilities financed or refinanced with the Tax-Exempt Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that interest paid on any Tax-Exempt Bonds will not be includable in gross income of the holders of the Tax-Exempt Bonds for federal income tax purposes. The City specifically covenants:

- (1) to comply with the "arbitrage" provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the Tax-Exempt Bonds; and
- (2) to operate the facilities financed or refinanced with the proceeds of the Bonds so that the Tax-Exempt Bonds are not "private activity bonds" under Section 141 of the Code; and
- (3) 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 Tax-Exempt Bonds.

SECTION 6. Delegation for Establishment of Terms and Sale of the Bonds. Each Authorized Representative is hereby 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 Bonds or to carry out the purposes of this Resolution, including but not limited to:

(a) 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 Bonds;

(b) evaluate and determine favorable terms and conditions for the issuance, sale, execution, delivery and administration of the Bonds and the Bond Documents, subject to a determination by the Authorized Representative that such terms are beneficial to the City to obtain good financing terms for the Bonds, including:

(1) soliciting bids from and selecting the method of purchase of the Bonds by a banking institution (the "Bank"), which may occur through a direct private placement with a Bank, a negotiated public sale with the Bank serving as underwriter, or a public, competitive offering of the Bonds for sale subject to a notice of sale; and

(2) evaluating any proposals from providers of Credit Enhancement Devices for the Bonds, obtaining a Credit Enhancement Device for the Bonds and executing and delivering agreements related to such Credit Enhancement Device and/or including representations, agreements and covenants in the Bonds or the Bond Documents with respect to such Credit Enhancement Device; and

(c) determine, if necessary, the form and content of the preliminary and final disclosure documents in connection with a public sale of the Bonds;

(d) request and obtain ratings of the Bonds if determined by the Authorized Representative to be in the best interest of the City and expend Bond proceeds to pay for such ratings;

(e) establish and fund a bond debt service reserve, if necessary or desirable, for the Bonds;

(f) provide for financial reporting for as long as any of the Bonds are outstanding;

(g) approve the form of the Bonds and take actions necessary to qualify the Bonds for the book-entry system of The Depository Trust Company, and provide for the authentication, registration, payment, exchange and transfer of the Bonds;

(h) 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 Bonds that satisfies the requirements of Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12;

(i) execute and deliver the Bonds, a purchase contract or similar agreement between the City and any Bank selected to purchase the Bonds, the Bond Documents, the Continuing Disclosure Certificate and any other documents and certificates and opinions required in connection with the offering, sale, execution and delivery of the Bonds;

(j) solicit proposals for services and/or select a paying agent and registrar (the "Bond Registrar") for the Bonds;

(k) enter into covenants regarding the use of the proceeds of the Tax-Exempt Bonds and the Project financed with the proceeds of the Tax-Exempt Bonds to maintain the tax-exempt status of such Tax-Exempt Bonds;

(l) designate a federally taxable series of Bonds, if necessary and beneficial to the City, and enter into any necessary covenants in connection thereto, including, without limitation, covenants regarding the use of the proceeds of the Bonds and the Project financed with the proceeds of the Bonds;

(m) designate one or more series of Bonds as "qualified tax-exempt obligations" under Section 265(b) of the Code, if determined by the Authorized Representative to be in the best interest of the City and to the extent permitted under the Code;

(n) enter into agreements or other documents with BURA in connection with the loaning of proceeds of the Bonds and providing for the use of tax increment funds to pay a portion of the debt service payments on the Bonds; and

(o) execute and deliver a certificate specifying the actions taken pursuant to this Resolution and take such other actions and execute and deliver such other certificates, documents or agreements in connection with the Bonds that the Authorized Representative determines are desirable in connection with the Bonds and in accordance with this Resolution.

SECTION 7. Process.

(a) None of the Bonds may be sold, and no purchase agreement for the Bonds may be executed, until at least sixty (60) days following publication of the Notice of Full Faith and Credit Bond Authorization, such notice being in substantially the same form attached to this Resolution as Exhibit A (the "Notice").

(b) Pursuant to ORS 287A.150, the Notice will be published in The Bend Bulletin, a newspaper of general circulation within the boundaries of the City, upon adoption of this Resolution. The Notice shall provide that the estimated principal of the Bonds shall not exceed \$105,000,000.

(c) The Notice shall also specify the last date on which petitions from qualified electors of the City may be submitted.

(d) If petitions for an election, containing valid signatures of not less than five percent (5%) of the City's qualified electors, are received within the time indicated in the Notice, the question of issuing such Bonds shall be placed on the ballot at the next legally available election date. If such petitions are received, no such amount of Bonds may be sold until this Resolution and the question of whether to issue such Bonds is approved by a majority of the electors living within the boundaries of the City who vote on that question. Any such petitions will be subject to ORS 287A.150.

SECTION 8. Appointment of Bond Counsel and Financial Advisor. In connection with the Bonds, the City confirms its prior appointment of Orrick, Herrington &

Sutcliffe LLP, as Bond Counsel to the City, and PFM Financial Advisors LLC, as Financial Advisor to the City. The fees and expenses of Bond Counsel and the Financial Advisor shall be payable out of the proceeds of the Bonds.

SECTION 9. Binding Agreement of the City. The covenants, pledges, representations and agreements set forth in this Resolution and the Bond Documents executed in connection with the Bonds, and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the benefit, protection and security of the owners of the Bonds, all of which shall be of equal rank without preference, priority or distinction of the Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

SECTION 10. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the City Council.

Adopted by a vote of the Bend City Council on February 19, 2025.

YES: Kebler, Perkins, Franzosa, Méndez, Riley, Norris, Platt
NO: None



Melanie Kebler, Mayor

Attest:



Morgen Fry, City Recorder

Approved as to form:



Ian M. Leitheiser, City Attorney

EXHIBIT A

(FORM OF NOTICE OF FULL FAITH AND CREDIT BOND AUTHORIZATION)

NOTICE IS HEREBY GIVEN that the City Council of the City of Bend, Oregon (the "City"), adopted Resolution No. [] (the "Resolution") on February 19, 2025, authorizing the issuance of full faith and credit bonds (the "Bonds"). The Bonds will be issued in one or more series, together or separately, from time to time to (i) finance all or a portion of the costs of transportation infrastructure improvements, (ii) finance all or a portion of the cost of stormwater infrastructure improvements, (iii) finance the acquisition of vehicles and equipment, (iv) finance capital projects including, without limitation, the new Public Works campus, (v) loan or grant funds to the Bend Urban Renewal Agency ("BURA") for eligible projects, (vi) refund all or a portion of certain outstanding obligations of the City and the BURA (the "Refunded Obligations"), and (vii) pay costs of issuance of the Bonds, as more fully described in the Resolution.

The City Council has delegated to the City Manager and the Chief Financial Officer or their respective designees the authority to establish the terms, conditions and covenants regarding the Bonds and the revenues which are necessary or desirable to effect the sale of the Bonds.

The City estimates' that the Bonds will be issued in a principal amount not to exceed \$105,000,000. Bond principal and interest are payable from the City's general non-restricted revenues and other funds that are lawfully available for that purpose, including the proceeds of the Bonds and revenues from an ad valorem tax authorized to be levied under the City's permanent rate limit under sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes and fees, if any, levied by the City in accordance with and subject to limitations imposed under applicable law or contract, that are not dedicated or restricted or obligated by law or contract to an inconsistent expenditure or use. The City pledges its full faith and credit and taxing powers as contemplated by ORS 287A.315. The owners of the Bonds will not have a lien or security interest in the projects financed with the proceeds of the Bonds or the Refunded Obligations.

If written petitions, signed by not less than five percent (5%) of the City's qualified electors, are filed at the Office of the City Recorder on or before [] April [] 2025 (the 61st day after the date of publication of the notice), the question of issuing the Bonds in an estimated principal amount of not to exceed \$105,000,000 shall be placed on the ballot at the next legally available election date. Any such petition shall be subject to ORS 287A.150.

The Office of the City Recorder is located at 710 NW Wall Street, Bend, Oregon 97703. Information on procedures for filing petitions may also be obtained at such address or by telephone at (541) 388-5505.

The Resolution is available for inspection at the Office of the City Recorder.

The Bonds will be issued and sold pursuant to Oregon Revised Statutes 287A.150 and ORS 287A.300; this Notice is published pursuant to ORS 287A.150.

BY ORDER OF THE CITY COUNCIL: FEBRUARY 19, 2025.

Published: February [] 2025.

