RESOLUTION NO. 1059

A RESOLUTION AUTHORIZING TAX INCREMENT BONDS FOR PROJECTS DESCRIBED IN THE DOWNTOWN URBAN RENEWAL DISTRICT PLAN

The Urban Renewal Agency of the City of Eugene finds as follows:

A. The Agency is authorized to issue bonds for projects described in the urban renewal plan (the "Plan") for the Downtown Urban Renewal District (the "Downtown District").

B. The Plan includes the following projects: a) the Lane Community College Downtown Campus ("Downtown Campus"); and b) the Broadway Place parking garages ("Broadway Garages")

C. The Agency has pledged $8 million of tax increment funds to help build the new Downtown Campus and plans to issue tax increment bonds to finance a portion of the pledged amount.

D. A portion of the Broadway Garages were originally financed with the City of Eugene's Broadway Garages Limited Tax Bonds, Series 1997 (Federally Taxable) in the original principal amount of $7,000,000 (the "Garage Bonds").

E. The tax increment revenues of the Downtown District are not pledged to any outstanding borrowings.

F. The maximum indebtedness for the Downtown District is $46,600,000**.** Through March 31, 2011, the Agency has issued borrowings and spent tax increment revenues on indebtedness in the aggregate amount of $32.3 million that is subject to the maximum indebtedness limitation. As a result, the Agency has $13.6 million of capacity (before issuance of the borrowings authorized in this resolution and excluding refinancings) to incur indebtedness for the Downtown District; and,

G. The Agency desires to finance a grant to Lane Community College for the Downtown Campus and to refund the outstanding Garage Bonds in order to achieve savings in interest payments through the issuance of Agency urban renewal bonds payable from the tax increment revenues of the Downtown District.

BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Bonds for Lane Community College authorized. The Agency hereby authorizes the issuance of not more than $4,500,000 in aggregate principal amount of tax increment bonds to finance a grant to Lane Community College for the Downtown

Campus described in the Plan and to fund debt service reserves and pay costs of issuance of the borrowing.

Section 2. Bonds for Broadway Place parking garages authorized. The Agency further authorizes the issuance of tax increment bonds to finance all or any portion of the Broadway Garages described in the Plan by refinancing all or any portion of the outstanding Garage Bonds. The net proceeds of the tax increment bonds described in this section shall not exceed the outstanding principal amount of the Garage Bonds to be refunded, plus any amounts required to fund debt service reserves and pay costs of the refunding.

Section 3. Delegation. The Agency Director or the person designated by the Agency Director to act on behalf of the Agency pursuant to this Resolution (the "Agency Official") may, on behalf of the Agency and without further action by the Agency Board:

(1) Issue the tax increment bonds authorized by Section 1 and Section 2 (collectively the "Bonds") in one or more series.

(2) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the Bonds.

(3) Select a commercial bank with which to negotiate the sale of the Bonds and enter into a purchase agreement with such commercial bank. Subject to the limitations of this resolution, the Bonds may be in such form and contain such terms as the Agency Official may approve.

(4) Determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"), or is includable in gross income under the Code. If a series bears interest that is excludable from gross income under the Code, the Agency Official may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income.

(5) Enter into intergovernmental agreements with Lane County Community College under which: a) the City and the college establish terms as needed to finance the grant, and b) college enters into covenants to maintain the excludability of interest from gross income on any series of the Bonds or portion of a series of Bonds issued on a tax-exempt basis and that financed a grant to Lane Community College.

(6) Issue any series of Bonds as taxable bonds that are eligible for federal interest subsidies or tax credits and enter into appropriate covenants.

(7) Designate any series of Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code, if applicable.

(8) Engage the services of bond counsel, financial advisor, verification agents, escrow agents, paying agents and any other professionals whose services are desirable for the financings.

(9) Enter into one or more escrow deposit agreements, if necessary, for the refunding and take actions to prepay the Garage Bonds.

(10) Make covenants for the benefit of the owners of the Bonds, including but not limited to covenants that: (i) require the Agency not to reduce collection of tax increment levels below specified amounts; (ii) prohibit borrowings that have a lien on the tax increment revenues of the Downtown District that is superior to the lien that secures the Bonds; (iii) limit the amount of borrowings that may be issued with a lien on the tax increment revenues of the Downtown District that is equal to the lien securing the Bonds; (iv) restrict the deposit and application of the tax increment revenues of the Downtown District to insure timely payment of the Bonds; and (v) limit the Agency's ability to reduce the area of the Downtown District which would reduce District revenues, until the Agency has sufficient funds to pay off the Bonds.

(11) Enter into such other covenants as are desirable to sell the Bonds on favorable terms.

(12) Execute and deliver any other certificates or documents and take any other actions which the Agency Official determines are desirable to carry out this resolution.

Section 4. Security for Bonds. The Bonds shall not be general obligations of the City or the Agency. The Bonds shall be payable solely from the tax increment revenues of the Downtown District that the Agency Official pledges to payment of the Bonds pursuant to the authority in Section 3 hereof.

Section 5. Duration. The authority granted by this resolution shall remain in effect as long as necessary to permit the sale, delivery, administration and payment of all Bonds authorized by this resolution.

Section 6. Effective Date. This resolution shall take effect immediately upon adoption.

The foregoing resolution adopted the ___ day of ________, 2011.

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Deputy City Recorder