

**(ACTION)**

**TO:** LBCC Board of Education  
**FROM:** Greg Hamann, President  
**PREPARED BY:** Jess Jacobs, Director, Accounting and Budget  
**DATE:** September 10, 2018  
**TOPIC:** Approval of Project Financing

**RESOLUTION 08-18  
GENERAL SUMMARY**

**A RESOLUTION OF THE LINN-BENTON COMMUNITY COLLEGE DISTRICT AUTHORIZING FINANCING OF PROJECTS AND PROVIDING FOR RELATED MATTERS**

WHEREAS, the District is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the District Board of Education determines is needed, and to authorize obligations evidencing the right to receive the payments due from the District under those financing agreements; and

WHEREAS, the estimated weighted average life of a financing agreement shall not exceed the estimated dollar weighted average life of the real or personal property to be financed by such financing agreement; and

WHEREAS, it is desirable to obtain up to \$6,850,000 of financing for capital projects, including

- improvements at Benton Center;
- career and technical education facility upgrades at the Albany campus;
- an additional entrance to improve pedestrian flow into that campus;
- a gathering space at that campus;
- renovated student affairs space in Takena Hall; and
- seismic upgrades (collectively, the "Project"); and

WHEREAS, the District may incur expenditures (the "Expenditures") to pay costs of the Project prior to the issuance of the financing agreement and wishes to declare its official intent to reimburse itself for any Expenditures the District may make from its own funds on the Project from the proceeds of the financing agreement, the interest on which may be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code");

**NOW, THEREFORE, THE BOARD OF EDUCATION OF THE LINN-BENTON COMMUNITY COLLEGE, LINN AND BENTON COUNTIES, OREGON DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:**

Section 1 Determination of Need.

The District Board of Education hereby determines that the Project is needed.

## Section 2 Financing Authorized.

The District Board of Education hereby authorizes the District to enter into one or more financing agreements (the "Financing Agreements") to obtain an aggregate principal amount not to exceed \$6,850,000 for the Project pursuant to ORS 271.390. Proceeds of the Financing Agreements may be used to finance the Project and to pay costs related to the financing. The financing agreements authorized by this Section shall be executed and sold pursuant to ORS 271.390, ORS 287A.315 and the other relevant provisions of ORS Chapter 287A and as provided in this resolution.

## Section 3 Delegation.

The President or the Vice President of Finance and Operations, or the person designated by the President or the Vice President of Finance and Operations to act on behalf of the District under this Resolution (each of whom is referred to herein as a "District Official") is hereby authorized, on behalf of the District and without further action by the District Board of Education, to:

(A) Negotiate, execute and deliver one or more Financing Agreements to accomplish the financings authorized in Section 2 of this Resolution. Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the District Official may approve.

(B) Negotiate, execute and deliver one or more escrow agreements or similar documents (the "Escrow Agreements") that provide for the issuance of one or more series of "full faith and credit obligations" (the "Obligations") that represent ownership interests in the principal and interest payments due from the District under the Financing Agreements. Subject to the limitations of this Resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the District Official may approve.

(C) Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, and authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations.

(D) Undertake to provide continuing disclosure for each series of Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

(E) Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

(F) Enter into additional covenants, including funding reserves, which the District Official determines are desirable to obtain more favorable terms for the Financing Agreements.

(G) Engage the services of placement agents, municipal advisors, bond counsel, escrow agents, and any other professionals whose services are desirable for the financing.

(H) Determine the final principal amount of each Financing Agreement, the interest rate or rates which each Financing Agreement shall bear, the payment dates, the District's prepayment rights and other terms of each Financing Agreement and each series of Obligations.

(I) Solicit competitive bids for the purchase of the Obligations and award the sale to the bidders offering the most favorable terms to the District, select underwriters to purchase the Obligations and negotiate the terms of the sales of those Obligations with those underwriters, or place any Financing Agreement directly with a commercial bank or other lender.

(J) Issue any qualifying Financing Agreement as a "tax-exempt bond" bearing interest that is excludable from gross income under the Code and enter into covenants to maintain the excludability of interest on those Financing Agreements from gross income under the Code.

(K) Issue any Financing Agreement as a "taxable bond" bearing interest that is includable in gross income under the Code.

(L) Designate any qualifying Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable.

(M) Execute and deliver any other certificates or documents and take any other actions which the District Official determines are desirable to carry out this Resolution.

#### Section 4 Security.

The Financing Agreements shall constitute unconditional obligations of the District, which are payable from all legally available funds of the District. Pursuant to ORS 287A.315, the District Official may pledge the District's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to make the payments due under the Financing Agreements.

#### Section 5 Reimbursement Declaration.

The District hereby declares its official intent to reimburse itself with the proceeds of the Financing Agreements for any of the Expenditures incurred by it prior to the

issuance of the Financing Agreements. This Resolution is adopted as official action of the District in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the District incurred prior to the dates of issue of the Financing Agreements.

Section 6 Effective Date.

This Resolution is effective immediately upon adoption.

**RECOMMENDATION TO THE BOARD:** That the Board of Education, Linn-Benton Community College, adopt this Resolution 08-18 authorizing the issuance of Financing Agreements in an aggregate principal amount not to exceed \$6,850,000.

**ACTION TAKEN:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**CHAIR OF THE BOARD**

\_\_\_\_\_  
**CLERK OF THE BOARD**