

**THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

**ORDER AND** ) IN THE MATTER OF AUTHORIZING A CAPITAL  
**RESOLUTION** ) INTERFUND LOAN IN AN AMOUNT NOT TO EXCEED  
 ) \$2,000,000 FROM THE SOLID WASTE FUND TO THE  
 10-3-31-17 ) ROAD GRANTS SUBFUND OF THE ROAD FUND AND  
 ) AUTHORIZING THE REIMBURSEMENT OF  
 ) EXPENDITURES WITH REIMBURSEMENT  
 ) OBLIGATION PROCEEDS

WHEREAS, ORS 294.460 allows loans from one County fund to another and requires an ordinance or resolution authorizing the loan; and

WHEREAS, on December 15, 2009 the Board of County Commissioners (the "Board") awarded a contract for architectural services to PIVOT Architecture and Planning to develop an architectural master plan to remodel the old Qwest building at the Delta Highway site into a multi-use Customer Service Center (the Project) per Board Order No. 09-12-15-5; and

WHEREAS, after due consideration, the Finance and Audit Committee of the Board of County Commissioners met on March 18, 2010 and determined that it would be advantageous to provide internal financing on a short-term basis until long-term debt obligations can be issued;

WHEREAS, the Board of County Commissioners finds:

- A. The County has made and expects to make expenditures from its available funds to construct the Project.
- B. The County reasonably expects to issue bonds, bond anticipation notes, or other obligations (the "Reimbursement Obligations") and to use the proceeds of the Reimbursement Obligations to reimburse the County for the expenditures it makes from its available funds for the Project.
- C. To permit interest on the Reimbursement Obligations to be issued as tax-exempt obligations, tax-credit obligations, or other types of federal subsidy obligations, the Internal Revenue Code of the United States requires that the County declare its intent to reimburse itself from Reimbursement Obligation proceeds within 60 days after the expenditures are made.
- D. The County expects that the principal amount of the Reimbursement Obligations will not exceed two million dollars (\$2,000,000).
- E. The County understands that the use of proceeds of the Reimbursement Obligations to reimburse an expenditure may occur no later than the later of (a) 18 months after the date of such expenditure, or (b) 18 months after the completion of the projects to which such expenditure relates, and in any event no later than three years after the date of such expenditure; and may occur no earlier than sixty (60) days prior to the date of the adoption of this resolution.

IT IS HEREBY ORDERED AND RESOLVED that the Board of Commissioners authorizes the Director of Management Services to affect an interfund loan pursuant to ORS 294.460 (the "Loan") to provide capital funds on a short-term basis as described below:

1. A loan shall be made from the Solid Waste Enterprise Fund in the aggregate principal amount not to exceed \$2,000,000.
2. The loans are capital loans and must be repaid in less than 120 months. Repayment of the principal is due in full on October 1, 2011.
3. The Loan shall bear interest at the County's internal rate of return. Accrued interest is due and payable in full on October 1, 2011.

IT IS FUTHER ORDERED AND RESOLVED that the Board of County Commissioners hereby declares its official intent pursuant to the Federal Income Tax Regulations to reimburse itself for expenditures it makes for the Project with the proceeds of Reimbursement Obligations.

Dated this 31<sup>st</sup> day of March, 2010.

  
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BILL FLEENOR, CHAIR  
Board of County Commissioners

APPROVED AS TO FORM  
3/23/10  
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OFFICE OF LEGAL COUNSEL