



CITY COUNCIL AGENDA
March 12, 2018, 6:30PM

Regular Meeting

CITY COUNCIL CHAMBERS, CITY HALL
 29592 ELLENSBURG AVE
 GOLD BEACH OR 97444

Prior to the regular meeting, the Council will meet at 6:00pm in executive session pursuant to ORS 192.660 (2)(f) To consider information or records that are exempt by law from public inspection, including written advice from our attorney. Credentialed representatives of the news media shall be allowed to attend the executive session. The Council Chambers doors will be closed until the end of the executive session. When the exec session is concluded, the doors will be opened and the public invited inside to attend the regular monthly Council meeting.

Call to order: Time: _____

1. **The pledge of allegiance**
2. **Roll Call:**

	Present	Absent
Mayor Karl Popoff		
Council Position #1 Melinda McVey		
Council Position #2 Larry Brennan		
Council Position #3 Becky Campbell		
Council Position #4 Doug Brand		
Council Position #5 Tamie Kaufman		
STARTING VOTE		
City Administrator Jodi Fritts		
Student Liaison Ashlee Wood		

3. **Special Orders of Business:**
 - a. Committee & Commission Vacancies announcement:
 - Budget – 2 vacancies
 - Planning – 2 vacancies
 - URA Advisory – 3 vacancies
4. **Consent Calendar:**
None Scheduled
5. **Citizens Comments**
As presented to the Mayor at the beginning of the meeting

The City of Gold Beach is dedicated to enhancing quality of life, while promoting health, safety, and welfare of our citizens, businesses, and visitors in the most fiscally responsible manner. In doing this, the City will respect the past, respond to current concerns, and plan for the future, while maintaining environmental sensitivity in our beach oriented community

6. Public Hearing
None Scheduled

- 7. Citizen Requested Agenda Items**
- a. Request to serve alcohol in Buffington Park for event
 - b. Request by GB Mainstreet to address the Council on topics:
 - Appoint Council liaison to GBMS
 - Update on GBMS Town Hall Meeting & recent community survey
 - Discuss RARE position GBMS/City partnership

8. Public Contracts and Purchasing
None Scheduled

- 9. Ordinances & Resolutions**
- a. R1718-15 Planning Commission Appointments
 - b. R1718-16 Resolution entering into loan with IFA/Business Oregon (*for water intake property purchase*)
 - c. R1718-17 Resolution for reimbursement from IFA/Business Oregon Loan (*for City funds used to purchase water intake property*)

THE COUNCIL WILL BRIEFLY SUSPEND THE COUNCIL MEETING TO ACT AS THE URBAN RENEWAL AGENCY AND ADOPT GBURA RESOLUTION R1718-01, \$10K or Greater Grant/Loan Program Assistance Policies approved at the February 26, 2018 GBURA meeting.

- 10. Miscellaneous Items (including policy discussions and determinations)**
- a. Street Survey Results
 - b. CM Salary Survey & discussion
 - c. MJ joint Planning Commission & Council meeting topic survey

11. City Administrator's Report
To be presented at the meeting

- 12. Mayor and Council Member Comments**
- a. Mayor Karl Popoff
 - b. Councilors
 - 1) Melinda McVey
 - 2) Larry Brennan
 - 3) Becky Campbell
 - 4) Doug Brand
 - 5) Tamie Kaufman
 - c. Student Liaison, Ashlee Wood

13. Citizens Comments
As permitted by the Mayor

The City of Gold Beach is dedicated to enhancing quality of life, while promoting health, safety, and welfare of our citizens, businesses, and visitors in the most fiscally responsible manner. In doing this, the City will respect the past, respond to current concerns, and plan for the future, while maintaining environmental sensitivity in our beach oriented community

14. Executive Session

Prior to the regular meeting, the Council held an executive session pursuant to ORS 192.660 (2)(f) To consider information or records that are exempt by law from public inspection, including written advice from our attorney.

The next regularly scheduled City Council meeting is **Monday, April 9, 2018, at 6:30PM** in the Council Chambers of City Hall, 29592 Ellensburg Avenue, Gold Beach, Oregon.

15. Adjourn Time: _____

The City of Gold Beach is dedicated to enhancing quality of life, while promoting health, safety, and welfare of our citizens, businesses, and visitors in the most fiscally responsible manner. In doing this, the City will respect the past, respond to current concerns, and plan for the future, while maintaining environmental sensitivity in our beach oriented community



CITIZEN REQUESTED AGENDA ITEMS

GOLD BEACH CITY COUNCIL AGENDA REPORT



Agenda Item No. 7. A.
Council Hearing Date: March 12, 2018

TITLE: Request to consume/serve alcohol in the park

SUMMARY AND BACKGROUND:

City Code Section 5.705 requires written permission from the City Council to sell or consume alcoholic beverages in the City Park.

(23) Alcoholic Beverages. No alcoholic beverages shall be sold or consumed in the park without written permission from the City Council.

5.705 Application for Written Permission.

Any person required to obtain written permission from the City Council for any activity in a city park as described in Section 5.700 of this Code shall submit a request for said permission to the City Administrator and the City Administrator shall place said item on the agenda of the City Council for its next regularly scheduled Council meeting.

A written request has been made by Bonnie Ell of the Wild Rivers Coast Mtn Bike Association to allow serving/consuming alcohol for a bike ride event they will be holding on May 5th. The ride will end with a potluck gathering at Buffington Park. They wish to serve beer at the event. A request letter is attached.

DOCUMENTS ATTACHED:

- WRCMBA Request Letter

REQUESTED MOTION/ACTION:

Approve/deny the request to consume alcohol in the park

Suggested Motion:

I make the motion that the Council APPROVE / DENY the request by the Wild Rivers Coast Mtn Bike Association to allow consumption of alcohol in the park during a potluck gathering on May 5, 2018.



Dear Karl Popoff and City Council Members,

On May 5, 2018, our local Wild Rivers Coast Mountain Bicycling Association (WRCMBA) will be hosting the 1st Annual Joe Martin Memorial Bike Ride to honor Joe Martin for his positive impact on Gold Beach and surrounding communities. This will be a free event and open to the public.

Our event will begin at Buffington Park, where bicyclists will be shuttled to the starting line of the ride up Hunter Creek Road and begin their 26 mile or 13 mile course. Following the ride, bicyclists and other community members will gather for a potluck. Arch Rock Brewery has generously donated a keg for us to serve at the potluck. We will not charge for the microbrew, but will ask for donations.

We are writing this letter to ask for your approval of the Arch Rock brew to be served at this community potluck event. We will have volunteers serving the beer who have their OLCC permits.

Thank you for taking the time to consider this request, and we hope to see you on May 5th.

For more information about this event, please visit the following link below and click on 'events':
<https://www.facebook.com/WildRiversCoastMTB/>

You may also contact me with any questions.

Kind regards,

Bonnie Ell
WRCMBA Member



SECTION 7.

CITY REQUESTED AGENDA ITEMS

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. **7. b.**
Council Meeting Date: March 12, 2018

TITLE: GB Mainstreet Request to Address Council

SUMMARY AND BACKGROUND:

Members of the GB Mainstreet group asked to address the Council regarding the following topics:

- Results of survey for their upcoming GBMS Town Hall meeting on Thursday, April 5th. A copy of those results are attached. The comments they provided are summarized below.
- Request for the Mayor to appoint a council liaison to GBMS.
- Discussion on possible partnership for a RARE (Resource Assistance for Rural Environments) position

SUMMARY OF COMMENTS FROM GBMS ONLINE SURVEY

Comment	Total #
Power lines underground, bury power lines	5
Art, public art, murals	3
Clean empty lots and empty buildings	4
Flowers, hanging flowers, landscaping, street lights	7
Places for tourist to gather and linger as they meander down the street	1
Architectural theme, coordinated color scheme, coordinated façade,	3
More coordinated events supporting tourism and businesses	1
2 lane traffic and angle parking	2
Better food and drink choices	1
Signage, flags, banners	2

139 Responses

Survey Results

QUESTION SUMMARIES

INDIVIDUAL RESPONSES

Q1

Our "TINY TOWN" lit up with Christmas spirit this year!
Will you help us be even brighter next year?

Answered: 125 Skipped: 14

Share Link

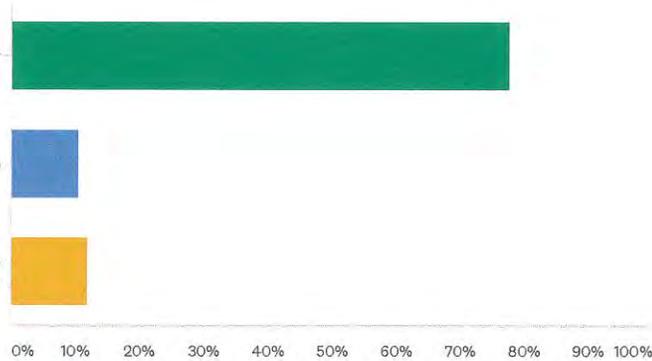
<https://http://www.surveymonkey.c>

@ SHARE SETTINGS



139 responses

Other (please specify)



ANSWER CHOICES

RESPONSES

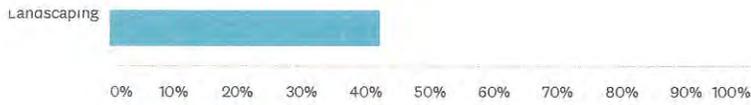
ANSWER CHOICES	RESPONSES	
Yes	77.60%	97
No	10.40%	13
Other (please specify)	12.00%	15
TOTAL		125

Q2

What is your number one "WISH" for improving Gold Beach main street on highway 101?

Answered: 137 Skipped: 2



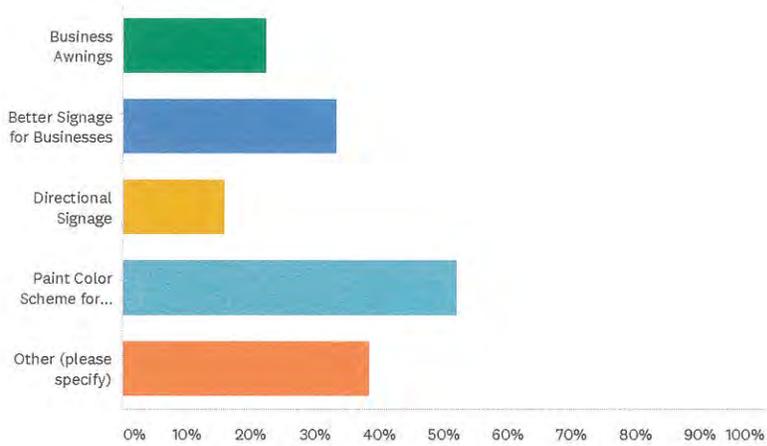


ANSWER CHOICES	RESPONSES	
Benches	10.95%	15
Trees along Main Street	39.42%	54
City Banners	7.30%	10
Landscaping	42.34%	58
TOTAL		137

Q3

We believe one of the main industries in our tiny town is tourism. Name your top 2 choices on how to “Pretty Up” our Main Street.

Answered: 138 Skipped: 1

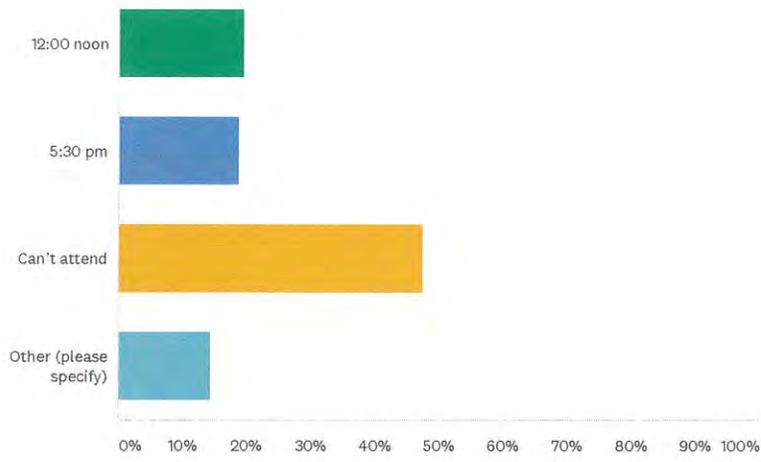


ANSWER CHOICES	RESPONSES	
Business Awnings	22.46%	31
Better Signage for Businesses	33.33%	46
Directional Signage	15.94%	22
Paint Color Scheme for Businesses	52.17%	72
Other (please specify)	38.41%	53
Total Respondents: 138		

Q4

YOUR OPINION MATTERS! Will you join us for our community meeting on Thursday, April 5, 2018 at the Chowder House Restaraunt. (Complimentary hors d’oeuvres will be served.)

Answered: 139 Skipped: 0



ANSWER CHOICES	RESPONSES	
12:00 noon	19.42%	27
5:30 pm	18.71%	26
Can't attend	47.48%	66
Other (please specify)	14.39%	20
TOTAL		139

Powered by  SurveyMonkey

Check out our [sample surveys](#) and [create your own now!](#)



ORDINANCES & RESOLUTIONS



**SECTION 9.
ORDINANCES & RESOLUTIONS**

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. 9. a.
Council Meeting Date: March 12, 2018

TITLE: Commission Appointment

SUMMARY AND BACKGROUND:

Three planning commission positions expired in December. Two expired members wished to be reappointed and those reappointments were adopted at the February meeting. We heard back from the other member last week and he wishes to be reappointed also.

SUGGESTED MOTION:

Planning Commission:

I make the motion that the Council adopt Resolution R1718-15, a resolution confirming appointments to the Planning Commission and setting terms of office.

RESOLUTION R1718-15

**A RESOLUTION CONFIRMING APPOINTMENTS TO THE PLANNING COMMISSION
AND SETTING TERMS OF OFFICE**

WHEREAS: The appointment and term of office procedures are set forth in the Gold Beach Administrative Code Section 1.120(2) & (3); and

WHEREAS: Vacancies currently exist on the Planning Commission; and

WHEREAS: The City Council recruited interested persons to fill the vacancies;

NOW, THEREFORE, BE IT RESOLVED that the Gold Beach City Council hereby reappoints:

Bob Chibante to Position #5, term to expire December 31, 2022.

The other Commission positions are currently VACANT.

Position #1:	Summer Matteson-Kinney	expires December 31, 2022
Position #2:	VACANT	<i>expires December 31, 2019</i>
Position #3:	Katie Hensley	expires December 31, 2022
Position #4:	VACANT	<i>expires December 31, 2019</i>

PASSED BY THE CITY COUNCIL OF THE CITY OF GOLD BEACH, COUNTY OF CURRY, STATE OF OREGON, and EFFECTIVE THIS 12th DAY OF MARCH, 2018.

APPROVED BY:

Karl Popoff, Mayor

ATTEST:

Jodi Fritts, City Administrator/City Recorder



**SECTION 9.
ORDINANCES & RESOLUTIONS**

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. **9. b./c.**
Council Meeting Date: March 12, 2018

TITLE: IFA/Business Oregon Loan for Water Intake Property Purchase

SUMMARY AND BACKGROUND:

The Council approved the process of acquiring the property where our raw water intake is located in October. We officially took ownership of the property in January. The purchase price plus the security fencing totaled \$499K, which we paid upfront. \$100K of the purchase price we paid for from Water Reserve funds for the down payment. We requested a loan from the State (IFA/Business Oregon) in the amount of \$399K for the remainder of the purchase price. The loan with IFA/Business Oregon was approved on January 9th. Since that time their staff has been processing the loan paperwork for our adoption.

Because this is a reimbursement loan there are some legal requirements that the necessary paperwork be completed within 60 days, which is March 13th. Two resolutions from IFA/Business Oregon are on the agenda for adoption tonight (they are formatted for our resolution type). One is for the actual loan and the other is a declaration that the intent of the loan is for reimbursement of City funds already expended.

Our legal counsel is required to review the loan documents and provide an opinion which will be forwarded with the other documents. I forwarded the documents to the attorney and expect to have their opinion by the Council meeting Monday night.

Attached to this report are the following documents:

- The January award letter and conditions
- Email correspondence from the IFA/Business Oregon Infrastructure Finance Officer
- A form from IFA/Business Oregon that states we have regular meetings etc.
- The loan agreement
- Resolution R1718-16 the loan resolution
- Resolution R1718-17 the reimbursement declaration



**SECTION 9.
ORDINANCES & RESOLUTIONS**

REQUESTED ACTION NEEDED:

Adopt the two resolutions in order to complete the loan process

SUGGESTED MOTIONS:

First Motion

I make the motion that the Council adopt Resolution R1718-16 AUTHORIZING A LOAN FROM THE STATE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO A LOAN AGREEMENT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

Second Motion

I make the motion that the Council adopt RESOLUTION R1718-17 A RESOLUTION OF THE CITY OF GOLD BEACH DECLARING ITS INTENTION TO REIMBURSE EXPENDITURES FROM PROCEEDS OF TAX EXEMPT LOAN



January 9, 2018

Honorable Karl Popoff, Mayor
C/O Ms. Jodi Fritts, City Administrator
City of Gold Beach
29592 Ellensburg Ave.
Gold Beach, OR 97444

RE: Award for Special Public Works Fund, City of Gold Beach, Water Intake Property Acquisition and Security Fencing, B18003 (\$399,000) January 4, 2018

Dear Mayor Popoff:

Congratulations on the City's successful application for the above-referenced project to acquire the water intake property and install security fencing.

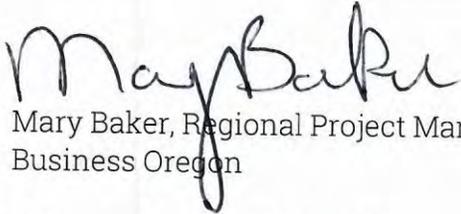
The award consists of a loan of \$399,000. This project is being recommended for inclusion in a future Bond Bank sale. Until the state revenue bonds are sold, an interim financing contract and interim rate of 1.7% will be in place and will accrue interest on actual funds disbursed. Interim financing is typically limited to 2.5 years but will be in place until the revenue bonds are sold. Once the bonds are sold, a permanent rate will be locked in and the interim financing contract will be replaced with a permanent financing contract. The full terms and conditions of the award are contained in a contract, which will be sent to you shortly for your signature.

Please note that the legal obligations for funding and for reimbursement of project expenses are subject to execution of the contract.

The City's project is being administered through Business Oregon. We encourage you to offer appropriate media opportunities to help build public awareness of your project's purposes and benefits. Please notify us of any event celebrating your project.

As always, we are available to answer questions that may arise during the implementation of the City's project. If you need assistance, please contact Tawni Bean at 503-551-0957 or by email at tawni.bean@oregon.gov

Sincerely,

A handwritten signature in black ink that reads "Mary Baker". The signature is written in a cursive, flowing style.

Mary Baker, Regional Project Manager
Business Oregon

enc: Summary of Award

c: Sean Stevens, Regional Development Officer
File

Jodi Fritts

From: RODRIGUEZ Rich * BIZ <Rich.Rodriguez@oregon.gov>
Sent: Monday, March 5, 2018 1:18 PM
To: Jodi Fritts
Cc: Karl Popoff
Subject: RE: TIME SENSITIVE sign and return before 21 March 2018 ==> Bond Funding B18003
Attachments: Reimbursement Resolution City of Gold Beach.doc

Importance: High

Good Day Jodi –

Bond Counsel is trying to finish up some tax due diligence items.

Because the City has already purchased the property it would like to finance, the City needs to put in place a formal declaration of intent to reimburse that expenditure from the bond bank loan. If it does not, the City will not be able to finance that acquisition on a tax-exempt basis. This reimbursement action needs to be adopted within 60 days after having made the expenditure.

Bond Counsel noted from documents on the City's web site the City acquired property on January 12, 2018. This means that the reimbursement action needs to be adopted by March 13, which is 60 days after January 12.

Conveniently, it appears from the City's website there is a City Council meeting the second Monday of each month which would mean there should be a meeting next Monday, March 12.

Could you, please, coordinate adopting the attached resolution at the Monday, March 12 meeting?

Please let me know at once if there are any questions or if the Reimbursement Resolution cannot be adopted by the 12th.

~ Thanks ~

= Rich Rodriguez =

From: Jodi Fritts [<mailto:jfritts@goldbeachoregon.gov>]
Sent: Monday, March 5, 2018 11:44 AM
To: RODRIGUEZ Rich * BIZ <Rich.Rodriguez@oregon.gov>
Subject: RE: TIME SENSITIVE sign and return before 21 March 2018 ==> Bond Funding B18003

Thank you Rich.

I will go through them and get what we need on the Council agenda for Monday

Jodi Fritts-Matthey
City Administrator
City of Gold Beach

From: RODRIGUEZ Rich * BIZ [<mailto:Rich.Rodriguez@oregon.gov>]
Sent: Friday, March 2, 2018 11:16 AM
To: Jodi Fritts

Cc: Karl Popoff

Subject: RE: TIME SENSITIVE sign and return before 21 March 2018 ==> Bond Funding B18003

Good Day –

Due to an oversight, the attached were not sent in the initial distribution though they were listed in the Checklist of Documents.

Thank you!

= **Rich Rodriguez** =

From: RODRIGUEZ Rich * BIZ

Sent: Thursday, March 1, 2018 2:47 PM

To: 'jfritts@goldbeachoregon.gov' <jfritts@goldbeachoregon.gov>

Cc: 'kpopoff@goldbeachoregon.gov' <kpopoff@goldbeachoregon.gov>

Subject: TIME SENSITIVE sign and return before 21 March 2018 ==> Bond Funding B18003

City of Gold Beach

Attention: Jodi Fritts-Matthey, City Administrator

29592 Ellensburg Avenue,

Gold Beach, Oregon 97444

RE: Bond Funding B18003

Dear Jodi Fritts-Matthey:

Attached to this email, and listed below, are the financing documents we need you to **sign before 21 March 2018** for the bond financing of your Business Oregon loan.

- Ordinance or Resolution or Order
- Loan Agreement
- Promissory Note (preliminary, before pricing)
- Certificate as to Incumbency
- Certificate of Regular Meetings

Please refer to the attached Checklist of Contract Documents and Instructions for handling the above documents. After pricing, we will provide other financing documents.

Thank you for choosing Business Oregon as your financing partner. We are anxious for your project to succeed and wish to extend any help you need.

Please contact me with any questions you may have.

Rich Rodriguez, MBA

Infrastructure Finance Officer

Business Oregon | <http://www.oregon4biz.com>

**CERTIFICATE OF REGULAR MEETINGS,
QUORUM COMPLIANCE, ORDINANCE ENACTMENT PROCEDURE COMPLIANCE;
AND POLICY IMPLEMENTED IN ACCORDANCE WITH ORS 192.640.**

OREGON INFRASTRUCTURE FINANCE AUTHORITY

I, **Jodi Fritts**, am the duly appointed, qualified and acting **City Administrator/City Recorder** of the City of Gold Beach, Oregon, a municipal corporation and political subdivision of the State of Oregon (“the Recipient”). In my capacity as **City Administrator/City Recorder**, I have the care, custody and control of the official records of the Recipient.

I state as follows from the records of the Recipient:

A. The governing body of the Recipient meets in regular session on the 2nd Monday of each month at the hour of 6:30pm. The meetings have been established in due and proper form pursuant to the Charter, Council Rules, and Policies of the Recipient.

B. A quorum, as defined by the Charter, Council Rules, and Policies was present throughout each of the following regular meetings of the governing body of the Recipient:

October 9, 2017, Executive Session

Presentation of property appraisal and discussion of potential property purchase

October 9, 2017 Regular Council Meeting

Motion to proceed with purchase of intake property

C. The governing body has adopted the following policy to implement the provisions of ORS 192.640:

Gold Beach Charter 1986

Chapter IV

Section 16. MEETINGS TO BE PUBLIC All deliberations and proceedings of the council shall be public except as otherwise authorized by state law.

Name: Jodi Fritts

Title: City Administrator/City Recorder

**STATE OF OREGON
INFRASTRUCTURE FINANCE AUTHORITY
SPECIAL PUBLIC WORKS FUND
LOAN AGREEMENT**

Project Number: B18003

Project Name: Water Intake Property Acquisition and Security Fencing

This loan agreement (“Loan Agreement”), dated as of the date of Department’s signature hereof, is between the State of Oregon acting by and through its Infrastructure Finance Authority of the Business Development Department (“Department”) and the City of Gold Beach (“Recipient”) with respect to financing for the project (“Project”) which is described in Exhibit B (Project Description). Unless the context requires otherwise, capitalized words and phrases not defined in the main body of this Loan Agreement shall have the meanings assigned to them in Exhibit A.

The parties agree as follows:

1. Effective Date and List of Exhibits. This Loan Agreement shall become effective on the date: (a) this Loan Agreement is fully executed and approved as required by applicable law and (b) Recipient delivers to Department the Note duly executed by an Authorized Officer of Recipient. This Loan Agreement includes the following exhibits:

- Exhibit A: General Definitions
- Exhibit B: Project Description
- Exhibit C: Project Budget
- Exhibit D: Sources of Payment and Pledge

2. Loan.

a. Amount. Subject to the terms and conditions of this Loan Agreement, Department agrees to make to Recipient, and Recipient agrees to accept from Department, a loan (“Loan”) in the principal amount of \$399,000. The Loan will be funded in part from proceeds of the State Bonds that are issued pursuant to the Bond Indenture and as such, certain representations, warranties and covenants of Recipient under this Loan Agreement shall inure to the benefit of the Trustee under the Bond Indenture.

b. Loan Disbursement Account. On the Loan Closing Date, Department shall deposit the Loan proceeds in the Loan Disbursement Account. Department shall invest amounts in the Loan Disbursement Account on behalf of Recipient as provided in ORS 293.701 to 293.820 and credit earnings to Recipient’s Loan Disbursement Account.

c. Interest. Interest shall accrue on the outstanding principal amount of the Loan at the Note Rate. Interest shall be computed on the basis of a 360-day year, consisting of twelve (12) thirty-day (30-day) months and is payable as provided in the Payment Schedule. The Loan shall be evidenced by the Note.

3. Disbursement.

a. Disbursement. On and after the Loan Closing Date, Department shall disburse the Loan proceeds to Recipient from the Loan Disbursement Account on an expense reimbursement or cost incurred basis upon receipt by Department of a disbursement request duly executed by Recipient, in form and substance acceptable to Department.

b. Conditions Precedent. Department’s obligation to make the Loan to Recipient under this Loan Agreement is subject to satisfaction of each of the following conditions precedent:

i. Department has received from Recipient the following, in form and substance satisfactory to Department, Department's Counsel and Bond Counsel:

(A) The revised Payment Schedule to the Note that has been prepared in accordance with Section 4 hereof, and dated the Loan Closing Date and duly executed by an Authorized Officer of Recipient;

(B) A copy of the ordinance, order or resolution of the governing body or other organizing documents of Recipient authorizing the execution and delivery of this Loan Agreement and the other Loan Documents and Recipient's performance, observance and discharge of its duties, covenants, agreements and obligations hereunder and thereunder;

(C) An opinion of Recipient's Counsel in the form acceptable to the Department, the Trustee, and Bond Counsel; and

(D) All other agreements, certificates, documents and information required by this Loan Agreement to be submitted by Recipient prior to Loan closing or otherwise reasonably requested by Department, the Issuer, the Trustee, the Bond Counsel or the Underwriter, all duly executed and acknowledged as reasonably requested by Department.

ii. The Bond Closing has occurred.

In addition to the above conditions precedent, Department's obligation to make a disbursement of the Loan proceeds to Recipient is further conditioned on the following:

iii. Department has received sufficient funding, appropriations and other expenditure authorizations to allow Department, in the exercise of its reasonable administrative discretion, to make the disbursement and there are sufficient moneys in the accounts or funds to be used to cover the disbursement, as determined by Department in the reasonable exercise of its administrative discretion, to permit Department to make the disbursement;

iv. No Default or Event of Default has occurred; and

v. All other conditions precedent to disbursement set forth elsewhere in this Loan Agreement or in the other Loan Documents have been satisfied.

4. Loan Payments. Recipient hereby covenants and agrees to repay the Loan in accordance with the terms hereof and of the Note, including the Payment Schedule. The parties agree that the Payment Schedule to the Note will be revised on the Bond Closing Date to accurately reflect the interest rates on the State Bonds that are passed through to the Loan and that the Note will at that time, and may at any other time, be amended (without the necessity of a formal amendment) to incorporate a revised Payment Schedule by substituting the then current Payment Schedule with a revised Payment Schedule that is dated and signed by both parties.

All payments pursuant to this Loan Agreement and the Note shall be made directly to the Trustee for the account of Department. Recipient acknowledges that payment or defeasance of the State Bonds by Department or the Issuer does not constitute payment of the amounts due under this Loan Agreement or the Note.

5. Prepayment.

a. Mandatory Prepayment. Recipient shall prepay the Loan if required to do so by Section 6, Section 12 (b), (c), (d) or any other provision of the Loan Documents, and, except in the case of Section 12(b), Recipient shall pay the prepayment premium applicable to such Loan Prepayment as determined in accordance with the Payment Schedule to the Note.

b. Optional Prepayment. Subject to the following terms and conditions, Recipient may make Loan Prepayments on or after the Optional Loan Prepayment Date upon not less than ninety (90) days prior written notice to Department and the Trustee; provided, however, that

i. Each Loan Prepayment shall include payment of (A) the accrued interest on the amount prepaid, (B) the prepayment premium applicable to such Loan Prepayment as determined in accordance with the Payment Schedule to the Note, and (C) any expenses of the Trustee, Counsel to Department or Bond Counsel associated with such prepayment; and

ii. No Loan Prepayment shall be made without the prior written approval of Department.

c. Optional Prepayment prior to the Optional Loan Prepayment Date. Loan Prepayments may be made prior to the Optional Loan Prepayment Date if

i. Recipient obtains the prior written approval of Department,

ii. an opinion is obtained from Bond Counsel to the effect that such a Loan Prepayment will not adversely affect the exclusion from gross income for federal and state income tax purposes of the interest on the State Bonds and the Loan,

iii. an escrow fund is established with Department or with an escrow agent acceptable to Department, and a deposit shall have been made to such escrow fund of cash and/or United States Treasury obligations which are not subject to redemption or prepayment and maturing as to principal and interest in such amounts and at such times as will, in the opinion of an independent certified public accountant delivered to Department, provide sufficient moneys, without reinvestment of any matured amounts, to make all payments of principal and interest on the Loan or portion to the Loan to be prepaid to and including the Optional Loan Prepayment Date together with the prepayment premium applicable to such Loan Prepayment as determined in accordance with the Payment Schedule to the Note, and

iv. the investment of amounts held in the escrow fund must be yield restricted to the extent required by Section 148 of the Code.

d. Prepayment Premium. If a Loan Prepayment, pursuant to the terms of this Section 5, is subject to a prepayment premium, the amount of the prepayment premium is to be determined in accordance with the Payment Schedule to the Note.

e. Application of Loan Prepayment. Loan Prepayments shall be applied first to any expenses required in connection with the Loan Prepayment, including but not limited to the expenses of the Trustee, Counsel to Department, Bond Counsel, escrow agent, and any independent certified public accountant, then to accrued interest on the portion of the Loan prepaid, then to the prepayment premium, if any, and finally to principal payment(s) on the Loan. In the case of a Loan Prepayment that does not prepay all of the principal of the Loan, Department shall determine, in its sole discretion, the method by which such Loan Prepayment shall be applied to the outstanding principal payments.

6. Application of Unexpended Loan Proceeds. Unless Department, in its sole and absolute discretion, grants Recipient an extension in writing, any proceeds of the Loan held by Department on the earlier of the Project Completion Deadline or thirty-six (36) months after the Loan Closing Date shall be applied, together with any interest earnings thereon, to the next annual principal and interest payment on the Loan. If all such unexpended Loan proceeds cannot be fully used on the next principal and interest payment date, Recipient shall be required to use such excess proceeds to prepay a portion of the Loan under the terms and conditions described in Section 5(c).

Any extension granted by Department shall be conditioned on Recipient providing evidence satisfactory to Department and Bond Counsel of Recipient's compliance with any arbitrage and yield reduction payments required under Section 148 of the Code. Even though Department may grant an extension to Recipient, Department at all times reserves the right to refuse to grant any future extension.

If any proceeds of the Loan remain after the payment of the entire outstanding principal balance of the Loan and the prepayment premium applicable to the Loan Prepayment as determined in accordance with the Payment Schedule to the Note, such amounts shall be the property of Department, and Recipient shall have no claim to such amounts.

7. Sources of Repayment of Recipient's Obligations; Security for Loan.

a. Recipient shall apply funds derived from the sources of repayment described in the Act and Exhibit D to the punctual payment of the principal of and interest on the Loan and to satisfy all other payment obligations of Recipient under this Loan Agreement and the other Loan Documents; provided, however, that nothing in this Loan Agreement shall be deemed to prevent Recipient from paying any amounts payable by Recipient under this Loan Agreement or any other Loan Document from any other legally available source.

b. Recipient hereby pledges its full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b, of the Oregon Constitution to pay the amounts due under this Loan Agreement and the Note. This Loan Agreement and the Note are secured by and shall be payable from all lawfully available funds of Recipient.

c. Further, Recipient hereby grants to Department a security interest in and irrevocably pledges the revenues described in Exhibit D to pay all of the obligations owed by Recipient to Department under the Loan Agreement. Any such revenues hereafter received by Recipient shall immediately be subject to the lien of such pledge without physical delivery, filing or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, except as provided in Exhibit D, to the fullest extent permitted by ORS 287A.310. Recipient hereby represents and warrants that the pledge of revenues hereby made by Recipient complies with, and shall be valid and binding from the date hereof pursuant to ORS 287A.310.

8. Unconditional Obligations. The provisions of this Loan Agreement shall constitute a contract between Department and Recipient and shall be enforced by Department or the Trustee. The obligation of Recipient to perform, observe and discharge its duties, covenants, agreements and obligations contained herein and in the Loan Documents shall be absolute and unconditional, and shall not be subject to any of the following:

a. Any offset, counterclaim, recoupment, defense or other right that Recipient may have against Department, the Issuer, the Trustee or any contractor or anyone else for any reason whatsoever;

b. Abatement through damage, destruction or non-availability of the Project or System, including through eviction or constructive eviction or taking by eminent domain;

c. Any failure of Department, the Issuer or the Trustee to perform, observe or discharge any covenant, agreement, or obligation whether expressed or implied, or any duty, liability, or obligation arising out of or connected with the Project, this Loan Agreement or the Bond Indenture or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against Department, the Issuer, the Trustee or any other party or parties; provided however, that payments hereunder shall not constitute a waiver of any such rights; or

d. Any other event, act of God, or circumstance whatsoever, whether or not similar to any of the foregoing.

Recipient shall not be obligated to make any payments required to be made by any other Municipality under any separate loan agreement or the Bond Indenture.

9. Loan Agreement to Survive Bond Indenture and State Bonds. Recipient acknowledges that its duties, covenants, agreements, and obligations under this Loan Agreement and the other Loan Documents shall survive the discharge of any bond indenture applicable to the State Bonds and payment of the principal of, redemption premium, if any, and interest on the State Bonds.

10. Representations and Warranties of Recipient. In addition to any other representations and warranties of Recipient set forth in this Loan Agreement or any other Loan Document, Recipient represents and warrants to Department and the holders of the State Bonds, as follows:

a. Organization and Authority.

i. Recipient is a Municipality duly and validly organized and in existence under the laws of the State of Oregon.

ii. Recipient has full legal right, power, and authority and all necessary licenses and permits required (A) if the Project involves construction or acquisition of real property, improvements or equipment, to own, operate and maintain the Project, other than licenses and permits relating to the Project that Recipient expects to receive in the ordinary course of business, (B) to carry on its activities relating thereto, (C) to execute and deliver this Loan Agreement and the other Loan Documents required to be executed and delivered by it, (D) to incur and perform its obligations under this Loan Agreement and the other Loan Documents, (E) to undertake and complete the Project, and (F) to carry out and consummate all transactions contemplated by this Loan Agreement and the other Loan Documents.

iii. Recipient is authorized under Oregon law to undertake the Project and to receive financing for the Project from Department under the terms and conditions of this Loan Agreement and the other Loan Documents.

iv. The Project, this Loan Agreement and all other Loan Documents, Recipient's execution and delivery hereof and thereof and the transactions contemplated hereby and thereby have been duly authorized by Recipient's governing body, and members or voters if necessary, and this Loan Agreement and all other Loan Documents have been executed and delivered on behalf of Recipient by an Authorized Officer of Recipient.

v. Assuming that Department has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered, this Loan Agreement and the other Loan Documents required hereunder to be executed by Department, this Loan Agreement and the other Loan Documents executed and delivered by Recipient constitute the legal, valid and binding obligations of Recipient enforceable in accordance with their terms, subject to the laws of bankruptcy and other similar laws affecting the enforcement of creditors' rights generally.

b. Full Disclosure. There is no fact that Recipient has not disclosed to Department, the Issuer, and the Trustee in writing in Recipient's Application or otherwise that materially adversely affects the properties, activities, prospects or condition (financial or otherwise) of Recipient or the Project, or the ability of Recipient to observe, perform and discharge all of its duties, covenants, agreements and obligations under this Loan Agreement and the other Loan Documents. Recipient's Application and Recipient's representations and warranties in this Loan Agreement or any of the other Loan Documents do not contain any untrue statement of a material fact or omissions that could reasonably be perceived as misleading.

c. Pending Litigation. There are no proceedings pending or, to the knowledge of Recipient, threatened against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of Recipient or the Project, or the ability of Recipient to observe, perform and discharge its duties, covenants, agreements and obligations under this Loan Agreement and the other Loan Documents, that have not been disclosed in writing to Department, the Issuer, and the Trustee in Recipient's Application or otherwise.

d. Compliance with Existing Agreements, et cetera. Recipient's authorization and performance of all obligations and covenants under this Loan Agreement and the other Loan Documents will not (i) result in any breach of any existing ordinance, order or resolution, trust agreement, indenture, mortgage, deed of trust, financing contract or other instrument to which Recipient is a party or by which the Project or any of its property or assets may be bound, (ii) result in the creation or imposition of any lien, charge or encumbrance upon any property or asset of Recipient (other than any lien and charge of this Loan Agreement or any of the documents related hereto or to the Bond Indenture), except as previously disclosed to Department, (iii) result in any violation of the provisions of the charter or other document pursuant to which Recipient was created or established, or (iv) violate any laws, ordinances, orders, resolutions, governmental rules, regulations or court orders that apply to Recipient, the Project, or its properties or operations.

e. No Defaults. No event has occurred and no condition exists that, upon authorization, execution and delivery of this Loan Agreement or any of the other Loan Documents or receipt of the Loan proceeds and with notice or lapse of time or both, would constitute an Event of Default hereunder. Recipient is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, the Project, or its property may be bound, which violation would materially adversely affect the activities, prospects or condition (financial or otherwise) of Recipient or the Project or the ability of Recipient to observe, perform and discharge its duties, covenants, agreements and obligations under this Loan Agreement and the other Loan Documents.

f. Governmental Consent. Recipient has obtained or will obtain all permits and approvals required by any governmental body or officer for the making, observance, performance and discharge by Recipient of its duties, covenants, agreements and obligations under this Loan Agreement and the other Loan Documents and for the undertaking or completion of the Project and the financing or refinancing thereof. Recipient has complied or will comply with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance, performance and discharge by Recipient of its duties, covenants, agreements, and obligations under this Loan Agreement and the other Loan Documents or with the undertaking or completion of the Project and the financing or refinancing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental body or officer that has not been obtained is required on the part of Recipient as a condition to the authorization, execution and delivery of this Loan Agreement or any other Loan Document.

g. Compliance with Law. Recipient is in compliance with Oregon Public Contracting Code, ORS Chapters 279A, 279B, and 279C, as applicable. Recipient is also in compliance with all other laws, ordinances, and governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of Recipient to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of Recipient or the Project.

h. The Project.

i. Recipient will have adequate funds to complete the Project.

ii. Recipient will have adequate funds to repay the Loan, and the Loan does not have a final maturity date after the end of the useful life of the Project.

i. Continuing Representations and Warranties. The representations and warranties of Recipient contained herein shall be true on the effective date of this Loan Agreement and at all times thereafter until the later of actual completion of the Project, final repayment of the Loan and the portion of any State Bonds that fund or refinance the Loan, or final performance, observance and discharge of all duties, covenants, agreements and obligations of Recipient under this Loan Agreement and the other Loan Documents.

11. Disclaimer of Warranties by Department. RECIPIENT ACKNOWLEDGES AND AGREES THAT NEITHER DEPARTMENT, THE ISSUER, NOR THE TRUSTEE MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR ANY USE OF THE PROJECT OR ANY PORTIONS THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO.

12. Certain Covenants of Recipient. Recipient shall comply with the following covenants:

a. Use of Loan Proceeds. Recipient may use the Loan proceeds solely in accordance with the Project budget (Exhibit C) to cover Eligible Costs necessarily incurred by Recipient in completing the Project and subject to any other restrictions imposed by other provisions of this Loan Agreement, the other Loan Documents or applicable law. Recipient may not transfer Loan proceeds among line items in the Project budget without the prior execution of an amendment to this Loan Agreement, in accordance with Section 23, modifying the Project budget to reflect the transfer. Except for the refinancing of any interim loan provided by the State of Oregon, Recipient may not use any of the Loan proceeds to cover Eligible Costs that are paid by other financing for the Project from the State of Oregon or by financing for the Project provided by a third party. Recipient shall promptly repay to Department any Loan proceeds disbursed to Recipient hereunder that are used in any manner other than as permitted by this Loan Agreement and the other Loan Documents or that remain unutilized upon actual completion of the Project. All payments under this Section 12(a) shall be applied to Recipient's obligations in accordance with Section 6.

b. Insurance. So long as the Loan is outstanding, Recipient shall maintain fire and hazard insurance, liability insurance, and such other insurance against loss or damage to the Project of the kinds customarily insured against by persons or entities similarly situated, with an insurer acceptable to Department, in such amounts and by such methods as shall be adequate. Each insurance policy must contain a provision that there shall be no cancellation, material change, or refusal to renew such insurance policy without thirty (30) days prior written notice to Department. As evidence of the insurance coverage required by this Loan Agreement, and prior to the execution of this Loan Agreement, Recipient shall furnish certificate(s) of insurance to Department. The liability insurance coverage required by this subsection (b) must name the State of Oregon and the Business Development Department, including its officers and employees, as additional insureds but only with respect to acts or omissions of Recipient, its officers, employees or agents or contractors under this Loan Agreement or with respect to the Project.

Each policy shall contain a severability of interest clause. In lieu of obtaining insurance from a third party carrier, Recipient may, with the prior written approval of Department, satisfy the insurance requirements of this subsection (b) through a program of self-insurance whose terms and conditions are acceptable to Department. In the event the Project or any portion thereof is destroyed, any insurance proceeds shall be paid to Department and (1) shall be applied to prepay the principal of and interest on the Loan in accordance with Section 5 of this Loan Agreement or (2), upon the request of Recipient, but only so long as Recipient is not in default under any of the Loan Documents, may be applied to rebuilding and restoration of the Project or a portion thereof, on such terms and conditions as Department shall require in its sole discretion.

c. Disposition of Project. So long as the Loan is outstanding and unless worn out, obsolete, or, in the reasonable business judgment of Recipient, no longer useful in the operation of any facilities constructed, improved or acquired as part of the Project, Recipient shall not sell, lease, exchange, abandon, transfer or otherwise dispose of all or substantially all or any substantial portion of or interest in any facilities constructed, improved or acquired as part of the Project, unless

i. Department consents thereto in advance in writing upon ninety (90) days' prior written notice to Department; and

ii. either:

(A) Recipient demonstrates to the satisfaction of the Trustee that such sale, lease, abandonment or other disposition will not adversely affect the rating of the State Bonds,

(B) A rating of the Loan is obtained which (a) addresses such sale, lease, exchange, abandonment or other disposition, (b) is no lower than the rating of the State Bonds and (c) shall be in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by Moody's Investors Service or Standard and Poors, or

(C) Department certifies to Recipient that this Loan Agreement has not been assigned to the Trustee and provides a copy of such certification to the Trustee.

Department will not consent to any such sale, lease, exchange, abandonment or other disposition unless Department shall have received an opinion of Bond Counsel to the effect that such sale, lease, exchange, abandonment or other disposition complies with the Act and the Bond Indenture and will not adversely affect the exclusion of interest on the Loan and on the State Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code. Proceeds of any such transfer not used to replace property that is part of the Project shall be applied to the payment of the outstanding principal of and interest on the Loan as a Loan Prepayment pursuant to Section 5(a) above and the prepayment premium applicable to such Loan Prepayment as determined in accordance with the Payment Schedule of the Note.

d. Condemnation of Project. In the event the Project or any portion thereof is condemned, Recipient shall apply the condemnation award to the cost of restoring and rebuilding the portion of the Project that was damaged or destroyed. In the event that (1) Recipient elects not to apply the condemnation award to rebuilding and restoration, (2) Recipient is in default under this Loan Agreement or (3) the amount of the condemnation award is in excess of the amount necessary to rebuild and restore the Project, Recipient shall use such condemnation proceeds or (in the case of (3) above) excess proceeds, for the payment of the outstanding principal of and interest on the Loan as a Loan Prepayment pursuant to Section 5(a) above and payment of the prepayment premium applicable to such Loan Prepayment as determined in accordance with the Payment Schedule of the Note.

e. Exclusion of Interest from Federal Gross Income and Compliance with Code.

i. Recipient covenants and agrees that it shall not take any action or omit to take any action which action or omission would result in the loss of the exclusion of the interest on the Loan from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code. The Department may decline to disburse Loan proceeds if it finds that the federal tax-exemption of the Loan or the State Bonds cannot be assured.

ii. Recipient shall not take any action (including but not limited to the execution of a management agreement for the operation of the Project) or omit to take any action, which action or omission would cause the Loan to be a “private activity bond” within the meaning of Section 141(a) of the Code. Accordingly, unless Recipient receives the prior written approval of Department, Recipient shall neither (A) permit in excess of ten percent (10%) of either (1) the proceeds of the Loan or (2) the Project financed or refinanced with the proceeds of the Loan, to be used directly or indirectly in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, nor (B) use directly or indirectly any of the proceeds of the Loan, to make or finance loans to persons other than governmental units as such term is used in Section 141(c) of the Code; provided further, that at least one half of the private business use permitted by clause (A) shall be neither disproportionate related business use, nor private business use not related to the government use of such proceeds of the Loan.

iii. Recipient shall not directly or indirectly use or permit the use of any of the “gross proceeds” (within the meaning of Section 148 of the Code) of the Loan or any other funds or take any action or omit to take any action, which use or action or omission could cause the Loan or the State Bonds to become “arbitrage bonds” within the meaning of Section 148(a) of the Code.

iv. Recipient shall not use directly or indirectly the proceeds of the Loan in any manner that would constitute an “advance refunding” of any debt within the meaning of Section 149(d)(2) of the Code and shall not prepay the Loan except as provided for in Section 5 of the Loan Agreement.

v. Recipient shall not cause the Loan or the State Bonds to be treated as a “federally guaranteed” obligation for purposes of Section 149(b) of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149(b) of the Code. For purposes of this paragraph, the Loan or the State Bonds shall be treated as “federally guaranteed” if: (A) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (B) five percent (5%) or more of the proceeds of the Loan will be (1) used in making loans, the payment of principal or interest with respect to which is guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (2) invested directly or indirectly in federally insured deposits or accounts, and (C) none of the exceptions described in Section 149(b)(3) of the Code apply.

vi. Recipient agrees to ensure that all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code are rebated to the United States of America. If Recipient fails to perform rebate calculations or fails to rebate amounts required to be rebated pursuant to Section 148(f) of the Code, Recipient agrees that Department may undertake to determine whether amounts are necessary to be rebated to the United States of America by Recipient, and Recipient further agrees to provide all amounts necessary to satisfy the requirements of Section 148(f) applicable to the Loan and, to pay to Department such amounts as may be directed by Department and at such times as Recipient may be so directed to satisfy the requirements of Section 148(f) of the Code applicable to the portion of the proceeds of any State Bonds, including any proceeds or other amounts held in a reserve fund applied to fund or refinance the Loan. Recipient further agrees to reimburse Department for the portion of any expenses incurred by them that relate to the Loan and are necessary to satisfy the requirements of Section 148(f) of the Code.

vii. In furtherance of the foregoing, Recipient covenants that it will comply with the provisions of this Loan Agreement and will furnish to Department in writing, upon reasonable request, information regarding investments and use of proceeds of the Loan and of any facilities financed or refinanced therewith.

viii. Notwithstanding anything to the contrary, so long as is necessary to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Loan, the covenants contained in this Section 12(e) shall survive the payment of the Loan and the State Bonds, and the interest thereon, including any payment pursuant to Section 6 of this Loan Agreement. Recipient acknowledges that the Loan may be funded with the proceeds of the State Bonds and that failure to comply with the requirements of this Section 12(e) could adversely affect any exclusion of the interest on the State Bonds from gross income for federal income tax purposes.

ix. Neither Recipient nor any related party to Recipient, within the meaning of 26 C.F.R. §1.150-1(b), shall purchase State Bonds in an amount related to the amount of the Loan.

x. Recipient may use Loan proceeds to reimburse itself for Eligible Costs of the Project made prior to the funding of the Loan, only if such reimbursement is allowed under one of the following four categories pursuant to 26 C.F.R. §1.150-2:

(A) Preliminary expenditures such as architectural, engineering, surveying, soil testing, bond issuance and similar costs that, in the aggregate, are not in excess of twenty percent (20%) of the proceeds of the Loan. Costs of land acquisition, site preparation and similar costs incidental to commencement of construction are not preliminary expenditures.

(B) Expenditures for issuance costs.

(C) Expenditures that are described in a reimbursement resolution or other declaration of official intent that satisfies the requirements of 26 C.F.R. §1.150-2 and paid no earlier than sixty (60) days prior to the adoption of such resolution or official intent as long as such expenditures are reimbursed no later than 18 months after the later of (i) the date on which the expenditure was paid or (ii) the date on which the property financed in whole or in part by the expenditure was placed in service. Expenditures do not qualify for reimbursement under this paragraph (C) if the period of time between the date on which an expenditure is made and the date of reimbursement exceeds three years.

(D) Expenditures paid within sixty (60) days prior to the date the Loan is funded.

f. Notice of Material Adverse Change. So long as the Loan is outstanding, Recipient shall promptly notify Department and the Trustee of any material adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project or in the ability of Recipient to make all Loan payments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the other Loan Documents.

g. Financial Statements and Reports. So long as the Loan is outstanding, Recipient, if so requested by Department, the Issuer, or the Trustee, and at Recipient's expense, shall deliver to Department in form and detail satisfactory to Department such audited or unaudited financial statement or statements or other reports as to Recipient as Department, the Issuer or the Trustee, respectively, may reasonably request.

h. Records Maintenance, Access and Confidentiality.

i. Access to Records and Facilities. Department, the Trustee, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives shall have access to the books, documents, papers and records of Recipient that are directly related to this Loan Agreement, the Bond Indenture, the other Loan Documents, the Project, or the Loan proceeds provided hereunder, for the purpose of making audits and examinations. In addition, Department, the Trustee, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives may make and retain excerpts, copies and transcriptions of the foregoing books, documents, papers and records. Recipient shall permit authorized representatives of Department, the Trustee, the Secretary of State's Office of the State of Oregon, and the federal government to perform site reviews and inspections of the Project after reasonable prior written notice to Recipient.

ii. Retention of Records. Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Loan Agreement, the other Loan Documents, the Project or the Loan proceeds, for a minimum of three (3) years, or such longer period as may be required by other provisions of this Loan Agreement or applicable law, following the latest of (A) the actual completion of the Project, (B) final repayment of the Loan, (C) final completion and satisfaction of all reporting requirements of Recipient under this Loan Agreement and the other Loan Documents, or (D) final repayment of the State Bonds. If there are unresolved issues at the end of the three-year period, Recipient shall retain the books, documents, papers and records until the issues are resolved.

iii. Expenditure Records. Recipient shall document the use of all Loan proceeds disbursed by Department under this Loan Agreement and the expenditure or utilization of all resources used in the Project. Unless applicable federal law requires Recipient to utilize a different accounting system, Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles consistently applied and in sufficient detail to permit Department to verify how the Loan proceeds were expended and how the other resources were expended or utilized.

i. Compliance with Law. Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Loan Agreement, the other Loan Documents, or the Project. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Loan Agreement, the other Loan Documents, or the Project: (A) all applicable requirements of state civil rights and rehabilitation statutes, rules and regulations and (B) ORS 659A.145, 659A.400, 659A.403, and 659A.406 and all regulations and administrative rules established pursuant to those laws in the construction, remodeling, maintenance and operation of any structures and facilities, and in the conduct of all programs, services and training associated with the Project. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the Loan Agreement, the other Loan Documents or the Project and required by law to be so incorporated. Recipient shall, to the

maximum extent economically feasible in implementation of the Project, use recycled paper (as defined in ORS 279A.010(gg)), recycled PETE products (as defined in ORS 279A.010(hh)), and other recycled products (as “recycled product” is defined in ORS 279A.010(ii)). All employers, including Recipient, that employ subject workers who provide services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers’ Compensation coverage, unless such employers are exempt under ORS 656.126.

j. Minority, Women & Emerging Small Business. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for available contracts to emerging small businesses...” Department encourages Recipient, in its contracting activities, to follow good faith efforts in accordance with ORS 200.045, available at <http://www.leg.state.or.us/ors/200.html>. Additional resources are provided by the Governor’s Advocate for Minority, Women & Emerging Small Business at <http://egov.oregon.gov/Gov/MWESB/index.shtml>. Also, the Office of Minority, Women, and Emerging Small Business at the Department of Consumer and Business Services maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <http://imd10.cbs.state.or.us/ex/dir/omwesb/>.

k. Access for Disabled Persons. If Recipient operates a commercial facility or public accommodations, as those terms are defined in the Americans with Disabilities Act of 1990, P.L. 101-336, Recipient shall comply with the Americans with Disabilities Act and ORS 447.210 to 447.280.

l. Indemnity. To the extent authorized by law, Recipient shall (subject to ORS chapter 180) defend, save, hold harmless, and indemnify the State of Oregon, Department, the Issuer, the Trustee and their officers, employees and agents from and against all claims, suits, actions, proceedings, losses, damages, liability, and court awards including costs, expenses, and attorney fees incurred as a result of, arising out of, or relating to any act or omission (or alleged act or omission) by Recipient or its officers, employees, contractors, or agents under this Loan Agreement or any other Loan Document or with respect to the Project; provided, however, that the provisions of this subsection (l) are not intended to and shall not be construed as a waiver of any defense or limitation on damages provided for under and pursuant to Chapter 30 of the Oregon Revised Statutes or other laws of the State of Oregon or under the laws of the United States.

m. Project Completion. Recipient shall complete the Project no later than the Project Completion Deadline.

n. Further Assurances. Recipient shall, at the request of Department, the Issuer or the Trustee, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement and the other Loan Documents.

13. Event of Default. Each of the following constitutes an Event of Default under this Loan Agreement:

a. Recipient fails to make any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Recipient when due.

b. Recipient fails to perform, observe or discharge any of its duties, covenants, agreements or obligations set forth in this Loan Agreement (other than as described in any other subsection of this Section 13), and such failure is not cured within fifteen (15) Business Days following written notice, specifying such failure and requesting that it be remedied, is given to Recipient by Department or the Trustee. Any event described in subsections (a), (c), (d), (e), or (f) of this Section 13 shall be referred to as an “Automatic Default.” If an Automatic Default occurs, or if in the case of default other than an Automatic Default Recipient has been given a notice of breach of the same provision of any of the Loan Documents within

the preceding twelve (12) months, Recipient shall be in default hereunder, without any requirement for any notice or opportunity to cure. If any default other than an Automatic Default is curable and if Recipient has not been given a notice of a breach of the same provision of any of the Loan Documents within the preceding twelve (12) months, Department shall send Recipient written notice describing such default. Recipient may cure such default within fifteen (15) Business Days after the date on which such notice is mailed to Recipient; however, if such cure requires more than fifteen (15) Business Days, Recipient shall not be in default if Recipient immediately initiates steps which Department deems in its sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practicable but in any event no later than one hundred twenty (120) days from the delivery of the written notice referred to above.

c. Any representation, warranty or statement made by or on behalf of Recipient herein, in any other Loan Document, or in any agreement, instrument, certificate, document or report furnished in compliance with or with reference to this Loan Agreement, any other Loan Document or the Loan or in connection with or with reference to the State Bonds, including but not limited to any representation, warranty or statement with respect to current or historical information relied upon by Department to monitor progress on the Project or the use of Loan proceeds, is false or misleading in any material respect;

d. Recipient (i) applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all of its property, (ii) admits in writing its inability, or is generally unable, to pay its debts as they become due, (iii) makes a general assignment for the benefit of its creditors, (iv) is adjudicated as bankrupt or insolvent, (v) commences a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect), (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vii) acquiesces in writing to any petition filed against it in an involuntary case under the federal Bankruptcy Code (as now or hereafter in effect), or (viii) takes any action for the purpose of effecting any of the foregoing;

e. A proceeding or case is commenced, without the application or consent of Recipient, in any court of competent jurisdiction, seeking (i) the liquidation, dissolution or winding-up, or the composition or readjustment of debts, of Recipient, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of Recipient or of all or any substantial part of its assets, or (iii) similar relief in respect to Recipient under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, or an order for relief against Recipient is entered in an involuntary case under the federal Bankruptcy Code (as now or hereafter in effect); and

f. An event of default occurs under any other Loan Document or any financing document for any other loan made by any third party or parties to Recipient in connection with the Project.

14. Notice of Event of Default. Recipient shall give Department and the Trustee prompt telephonic notice of the occurrence of any Event of Default described in Section 13(d) and (e) and of the occurrence of any other event or condition that constitutes an Event of Default under Section 13 at such time as any senior administrative or financial officer of Recipient becomes aware of the existence thereof. Any telephonic notice pursuant to this Section 14 shall be confirmed in writing as soon as practicable by Recipient.

15. Remedies upon Event of Default. Upon the occurrence of an Event of Default, Department may pursue any remedies available under this Loan Agreement, the Bond Indenture or any other Loan Document and may take whatever other action at law or in equity that may appear to Department to be necessary or desirable to collect the amounts then due and thereafter to become due under this Loan Agreement or any Loan Document or to enforce the performance and observance of any duty, covenant, obligation or agreement of Recipient under this Loan Agreement or any Loan Document, including but not limited to the following remedies and actions:

a. Declaring all Loan payments and all other amounts to be paid by Recipient under this Loan Agreement or any other Loan Document (including, but not limited to Department's cost of defeasance of the portion of any State Bonds allocable to the Loan, if all or a portion of the principal of and interest on the State Bonds has been accelerated pursuant to the Bond Indenture) to be immediately due and payable, and upon notice to Recipient the same shall become immediately due and payable without further notice or demand.

b. Terminating all further disbursements of Loan proceeds.

c. Declaring Recipient ineligible to receive future awards from Department.

d. Withholding all or a portion of any amounts otherwise due to Recipient and applying them to payments due pursuant to ORS 285B.449; however, if Recipient is a county, this provision is not to be construed in a way that Recipient's obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution.

e. Foreclosing liens or security interests or otherwise realizing upon any collateral securing Recipient's performance, observance and discharge of its duties, covenants, agreements and obligations under this Loan Agreement or any other Loan Document.

16. No Remedy Exclusive; Waiver. No remedy herein conferred upon or reserved to Department is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or any of the Loan Documents or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. No single or partial exercise of any right, power or privilege under this Loan Agreement or any of the Loan Documents shall preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. To entitle Department to exercise any remedy reserved to it in this Loan Agreement or any other Loan Document, it shall not be necessary to give any notice, other than such notice as is specifically and expressly required by this Loan Agreement or such Loan Document.

17. Limitation of Recipient Remedies; Limitation of Liability of Department. In the event of any failure by Department to perform, observe or discharge any of its covenants, agreements or obligation under this Loan Agreement, Recipient's remedy shall be limited to injunction, special action, action for specific performance, or any other available equitable remedy designed to enforce the performance or observance of any duty, covenant, obligation or agreement of Department, as may be necessary or appropriate. In no event shall Department or its agents be liable or responsible for any direct, indirect, incidental, special or consequential damages in connection with or arising out of this Loan Agreement, any other Loan Document or the Project or the existence, furnishing, functioning or use of the Project or any item or products or services provided in connection therewith.

18. Notice. Except as otherwise expressly provided in this Loan Agreement, any notices to be given hereunder or under any other Loan Document shall be given in writing by personal delivery, (except to the Trustee) facsimile, or mailing the same, postage prepaid, to Recipient, Department, the Issuer and the Trustee at the address or number set forth below, or to such other addresses or numbers as a party may indicate pursuant to this Section 18. Any notice so addressed and mailed shall be effective five (5) days after mailing. Any notice delivered by facsimile shall be effective on the day the transmitting machine generates a receipt of the successful transmission, if transmission was during normal business hours of the party receiving the communication, or on the next Business Day, if transmission was outside normal business hours of the party receiving the communication. To be effective against Department, any notice transmitted by facsimile must be confirmed by telephone notice to Department's Programs & Incentives Manager, at 503-949-3523. Any notice given by personal delivery shall be effective when actually delivered.

(a) Department: Oregon Business Development Department
Programs & Incentives Manager
RE: Project Number B18003
775 Summer Street NE Suite 200
Salem OR 97301-1280
Facsimile Number: 503-581-5115

(b) Issuer: State Treasurer
Attention Manager, Debt Management Division
100 Labor & Industries Building
Salem OR 97301

(c) Trustee: Bank of New York Mellon Trust Company, N.A.
Attention: Corporate Trust Washington
601 Union Street Suite 520
Seattle WA 98101-2328

19. Severability. The parties agree that if any term or provision of this Loan Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Loan Agreement did not contain the particular term or provision held to be invalid.

20. Governing Law, Consent to Jurisdiction. This Loan Agreement and all other Loan Documents shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between Department (and any other agency or department of the State of Oregon) and Recipient that arises from or relates to this Loan Agreement or the other Loan Documents shall be brought and conducted solely and exclusively within the Circuit Court of Marion County in the State of Oregon, other than Claims which must be brought and conducted in another Circuit Court of the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section 20 be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court.

21. Assignment of Loan Agreement, Successors in Interest.

a. Recipient shall not assign or transfer any interest in this Loan Agreement or in any other Loan Document without the prior written approval of Department. Any such assignment or transfer, if approved, is subject to such conditions and provisions as Department, the Issuer or the Trustee may deem necessary. No approval by Department of any assignment or transfer shall be deemed to create any obligation of Department in addition to those set forth in the Loan Agreement or the other Loan Documents nor will Department's approval of an assignment or transfer relieve Recipient of any of its duties or obligations under this Loan Agreement or any of the other Loan Documents.

b. The provisions of this Loan Agreement and the other Loan Documents shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns. In addition, the Trustee shall be considered as a beneficial party to this Loan Agreement, with all attendant rights to enforce the duties, obligations, covenants and agreements of Recipient set forth herein, to the same extent as if the Trustee was a party hereto.

22. Integration. This Loan Agreement, including all exhibits, schedules and attachments, and the other Loan Documents constitute the entire agreement between the parties on the subject matter hereof. All exhibits, schedules and attachments are incorporated in this Loan Agreement by this reference. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Loan Agreement.

23. Amendment. No modification or change of terms of this Loan Agreement shall bind either party unless in writing and signed by both parties and, when required, the Oregon Department of Justice. No waiver or consent shall be effective unless in writing and signed by the party against whom enforcement is sought. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

24. Construction and Interpretation. Both parties acknowledge that they are each represented by and have sought the advice of Counsel in connection with this Loan Agreement and the other Loan Documents and the transactions contemplated hereby and thereby and have read and understand the terms of this Loan Agreement and the other Loan Documents. The parties agree and acknowledge that the rule of construction that ambiguities in a written agreement are to be construed against the party preparing or drafting the agreement shall not be applicable to the interpretation of this Loan Agreement or the other Loan Documents. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, partnerships, agencies and districts. Words importing one gender shall include any other gender.

25. Time is of the Essence. Recipient agrees that time is of the essence under this Loan Agreement and the other Loan Documents.

26. Attorney Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Loan Agreement shall be entitled to recover from the other its reasonable attorney fees, costs and expenses at trial and on appeal (which in the case of Department shall include without limitation the reasonable costs and expenses of the Issuer and the Trustee and the reasonable allocated costs of Department's Counsel, Bond Counsel and any other Counsel appointed by Department). Reasonable attorney fees shall not exceed the rate charged to Department by its attorneys.

27. Counterparts. This Loan Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Loan Agreement so executed shall constitute an original.

The parties hereto have executed this Loan Agreement by their duly authorized representatives. Recipient, by signature of its Authorized Officer, hereby acknowledges that it has read this Loan Agreement, understands it, and agrees to be bound by its terms and conditions.

NOTICE TO RECIPIENT

Do not sign this Loan Agreement before you read it.

This Loan Agreement provides for the payment of a penalty in certain cases if you wish to repay the Loan in full or in part prior to the date provided for repayment in the Loan Agreement.

This Loan Agreement authorizes Department in certain cases to refuse to accept full or partial repayment of the Loan prior to the date provided for repayment in the Loan Agreement.



STATE OF OREGON
acting by and through the
Infrastructure Finance Authority
of the Business Development Department



CITY OF GOLD BEACH

By: _____
Chris Cummings, Assistant Director
Economic Development

By: _____
The Honorable Karl Popoff
Mayor of Gold Beach

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ David Elott as per email dated 1 March 2018
David Elott, Senior Assistant Attorney General

EXHIBIT A GENERAL DEFINITIONS

Act means ORS 285B.410-482.

Application means Recipient's application to Department for financing for the Project signed by an Authorized Officer of Recipient on 20 November 2017, as supplemented from time to time, which is on file with Department.

Authorized Officer means, in the case of Recipient, a person authorized pursuant to a resolution, order or ordinance of Recipient's governing body to act as an authorized officer of Recipient to perform any act or execute any document relating to this Loan Agreement or a Loan Document on behalf of Recipient

Bond Closing Date means the closing date for the State Bonds, the proceeds of which are applied to fund the Loan.

Bond Counsel means a law firm determined by Department to have knowledge and expertise in the field of municipal law and to issue opinions that are generally accepted by purchasers of municipal bonds.

Bond Indenture means the Second Restated Indenture of Trust between the Issuer, Department and the Trustee, pursuant to which the State Bonds are issued, and all amendments and supplement thereto adopted in accordance with the provisions thereof.

Business Day means any day other than (a) a Saturday, Sunday or federal holiday or a day on which banking institutions in Salem, Oregon or in the city in which the principal office of the Trustee is located are closed, or (b) a day on which the New York Stock Exchange is closed.

Code means the Internal Revenue Code of 1986, as amended, and any regulations promulgated pursuant thereto.

Counsel means an attorney at law (who may be, without limitation, of counsel to, or an employee of, Department, the Issuer, the Trustee or Recipient) duly admitted to practice law in Oregon, or firm of attorneys at law.

Default means an event, which, with notice or lapse of time or both, would become an Event of Default.

Eligible Costs means those Project costs that, (i) in accordance with this Loan Agreement, applicable state and federal law, administrative rule or regulation, and applicable policy, are permitted uses of Loan proceeds, and (ii) are expenditures that are capital expenditures for federal income tax purposes within the meaning of Section 1.150-1(b) of the Code. Such costs may not include internal costs charged to the Project by Recipient, payments made to related parties within the meaning of Section 1.150-1(e) of the Code, or the payment of principal or interest due on interim financing for the Project provided by a third party.

Event of Default means any occurrence or event specified in Section 13 of the Agreement.

Fund means the Special Public Works Fund established pursuant to ORS 285B.455.

Issuer means the State of Oregon acting by and through the State Treasurer of the State of Oregon

Loan Agreement means this loan agreement, including any exhibits, schedules or attachments hereto, as it may be amended from time to time.

Loan Closing Date means the Bond Closing Date, provided that all conditions precedent to disbursement hereunder are satisfied.

Loan Disbursement Account means the account established by Department from which Loan proceeds shall be disbursed pursuant to Section 3.a. of this Loan Agreement.

Loan Documents means this Loan Agreement, the Note and all agreements, instruments, documents and certificates, executed and delivered pursuant hereto or in connection herewith.

Loan Prepayment means any payment by Recipient that is applied to the unpaid principal of the Loan and is in excess of the amount then required to be paid as a loan payment.

Maturity Date means the date designated as the maturity date on the Payment Schedule to the Note.

Municipality means an entity described in ORS 285B.410(9).

Net Revenues means the revenues of Recipient's System that remain after payment of operation and maintenance costs of the System.

Note means the promissory note of Recipient that evidences this Loan, and any amendment, restatement, extension or renewal thereof. The Note includes the Payment Schedule that is attached thereto.

Note Rate means the interest rate(s) specified in the Payment Schedule to the Note.

Optional Loan Prepayment Date means the Optional Loan Prepayment Date set forth in the Payment Schedule to the Note.

Payment Schedule means the payment schedule that is attached to the Note, as it may from time to time be revised.

Project Completion Date means the earlier of (a) the date on which all of the proceeds of the Loan, including any investment earnings derived from the investment of such proceeds, have been spent; or (b) the date on which Recipient completes the Project.

Project Completion Deadline means 36 months from the date of the sale of the Bonds.

State Bonds means the series of Oregon Bond Bank Revenue Bonds authorized by the Bond Indenture and the Act, together with any refunding bonds, authenticated and delivered pursuant to the Bond Indenture, in each case used to finance or refinance the Project through the initial funding or refinancing of all or a portion of the Loan.

System means Recipient's drinking water system, which includes the Project or components of the Project, as such system may be modified or expanded from time to time.

Trustee means the Trustee pursuant to the Bond Indenture, or its successor or successors, and any other corporation that may at any time be substituted in its place as Trustee pursuant to the Bond Indenture.

Underwriter means the broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the State Bonds.

**EXHIBIT B
PROJECT DESCRIPTION**

The Recipient shall acquire 9.85(+/-) acres of land located at 95905 Jerry's Flat Road (Tax lot 36-14-16-200) and construct security fencing around approximately 1.1 acres of the property to secure the existing water intake.

The Recipient will initially pay for the entire cost of the property at escrow closing and will request reimbursement of \$349,000 from the SPWF program after the property is fully acquired.

**EXHIBIT C
PROJECT BUDGET**

	Department Funds	Other / Matching Funds
Activity	Approved Budget	Approved Budget
Land Acquisition	\$349,000	\$100,000
Security Fencing	50,000	0
Total	\$399,000	\$100,000

EXHIBIT D
SOURCES OF PAYMENT AND PLEDGE

I. FULL FAITH AND CREDIT PLEDGE

Recipient hereby pledges its full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b, of the Oregon Constitution to pay the amounts due under the Loan Agreement and the Note. The Loan Agreement and the Note are secured by and shall be payable from all lawfully available funds of Recipient.

II. NET REVENUES OF THE SYSTEM PLEDGE

- A. All payment obligations under this Loan Agreement and the other Loan Documents are payable from the revenues of Recipient's System after payment of operation and maintenance costs of the System ("Net Revenues"). The Recipient irrevocably pledges and grants to Department a security interest in the Net Revenues to pay all of Recipient's obligations under this Loan Agreement and the other Loan Documents. The Net Revenues pledged pursuant to the preceding sentence and received by Recipient will immediately be subject to the lien of this pledge without physical delivery, filing or further act, and the lien of this pledge is superior to all other claims and liens, except as provided in subsections B and C of this section II, to the fullest extent permitted by ORS 287A.310. The Recipient represents and warrants that this pledge of Net Revenues complies with, and is valid and binding from the date of this Contract as described in, ORS 287A.310. The lien of the pledge made under this subsection A is hereinafter referred to as the "OBDD Lien".
- B. The Recipient shall not incur any obligation payable from or secured by a lien on and pledge of the Net Revenues that is superior to, or on parity with the OBDD Lien.
- C. Notwithstanding the requirements of subsection B of this section II, loans previously made and loans made in the future by OBDD to Recipient that are secured by the Net Revenues may have a lien on such Net Revenues on parity with the OBDD Lien; provided that nothing in this paragraph will adversely affect the priority of any of Department's liens on such Net Revenues in relation to the lien(s) of any third party(ies)
- D. The Recipient shall charge rates and fees in connection with the operation of the System which, when combined with other gross revenues, are adequate to generate Net Revenues each fiscal year at least equal to one hundred twenty percent of the annual debt service due in the fiscal year on the Loan and any outstanding obligations payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien.

RESOLUTION R1718-16
A RESOLUTION OF THE CITY OF GOLD BEACH AUTHORIZING A LOAN FROM THE STATE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO A LOAN AGREEMENT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

WHEREAS: The City Council (the “Governing Body”) of the City of Gold Beach (the “Recipient”) finds:

A. The Recipient is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9).

B. Oregon Revised Statutes 285B.410 through 285B.482 (the “Act”) authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (“the Department”) to obtain financial assistance from the Special Public Works Fund.

C. The Recipient has filed an application with the Department to obtain financial assistance for a “development project” within the meaning of the Act, and which is needed by and is in the public interest of the Recipient.

D. The Department has approved the Recipient’s application for financial assistance from the Special Public Works Fund pursuant to the Act.

E. The Recipient is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Loan Agreement with the Department in substantially the form attached hereto as Exhibit “A”.

F. Notice relating to the Recipient’s consideration of the adoption of this RESOLUTION was published in full accordance with the City of Gold Beach’s charter and laws for public notification.

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the Recipient as follows:

1. Loan Authorized. The Governing Body authorizes the City Administrator or person designated by the City Administrator to act on behalf of the Recipient (the “Authorized Officer”) to execute the Loan Agreement and the Promissory Note (the “Financing Documents”) and such other documents as may be required to obtain financial assistance including a loan from the Department on the condition that the principal amount of the loan from the Department to the Recipient is not in excess of \$399,000 and the interest rate is a percent deemed reasonable by the Authorized Officer and in the best interest of the City of Gold Beach. The proceeds of the loan from the Department shall be applied solely to the “Costs of the Project” as such term is defined in the Loan Agreement.

2. Security. Amounts payable by the Recipient under the Financing Documents shall be secured by a pledge of one or all of the following as provided in Section 7 of the Loan Agreement and the Oregon Revised Statutes Section *SPWF*: 285B.437(3), which include:

(a) The revenues of the project, including special assessment revenues;

- (b) Amounts withheld under ORS 285B.449(1);
- (c) The Recipient’s full faith and credit and taxing power, within the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution; or
- (d) Any other legally available source.

3. Additional Documents. The Authorized Officer is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the Department for the Project pursuant to the Loan Agreement.

4. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The [name of officer] of the Recipient may enter into covenants on behalf of the Recipient to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Loan Agreement and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or their bond counsel to protect the tax-exempt status of such interest.

5. Reimbursement Bonds. The Recipient may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the Recipient understands that the Department may fund or reimburse itself for the funding of amounts paid to the Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This RESOLUTION shall constitute “official intent” within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the Recipient’s loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

6. Resolution Effective Date. This RESOLUTION shall be in force and effect from and after passage by the Governing Body.

PASSED BY THE CITY COUNCIL OF THE CITY OF GOLD BEACH, COUNTY OF CURRY, STATE OF OREGON, and EFFECTIVE THIS 12th DAY OF MARCH, 2018.

APPROVED BY:

Karl Popoff, Mayor

ATTEST:

Jodi Fritts, City Administrator/City Recorder

RESOLUTION R1718-17
RESOLUTION OF THE CITY OF GOLD BEACH DECLARING ITS
INTENTION TO REIMBURSE EXPENDITURES FROM PROCEEDS OF
TAX-EXEMPT LOAN

WHEREAS, the City Council of the City of Gold Beach (the "Issuer") desires to finance the costs of acquiring land and constructing security fencing to secure the water intake (the "Project"); and

WHEREAS, the Issuer intends to finance costs of the Project or portions thereof through a loan from the State of Oregon, or other debt obligation, the interest upon which is excluded from gross income for federal income tax purposes (the "Loan"); and

WHEREAS, prior to the issuance of the Loan the Issuer has incurred or desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Issuer; and

WHEREAS, the City Council of the Issuer has determined that those moneys advanced to pay the Expenditures prior to the issuance of the Loan are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of the Loan.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLD BEACH DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Expenditures of the Project paid prior to the issuance of the Loan with proceeds of the Loan.

SECTION 2. The reasonably expected maximum principal amount of the Loan is \$400,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Issuer paid its first Expenditure on the Project to be reimbursed from proceeds of the Loan (excluding certain preliminary expenditures which may have been paid before that date).

SECTION 4. The Issuer will make a reimbursement allocation, which is a written allocation that evidences the Issuer's use of proceeds of the Loan to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

SECTION 5. This resolution is adopted as official action of the Issuer 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 Issuer incurred prior to the date of issue of the Loan

SECTION 6. This resolution is effective immediately upon its passage.

PASSED BY THE CITY COUNCIL OF THE CITY OF GOLD BEACH, COUNTY OF CURRY, STATE OF OREGON, and EFFECTIVE THIS 12th DAY OF MARCH, 2018.

APPROVED BY:

Karl Popoff, Mayor

ATTEST:

Jodi Fritts, City Administrator/City Recorder



**SECTION 9.
ORDINANCES & RESOLUTIONS**

GOLD BEACH URBAN RENEWAL AGENCY REPORT

Agenda Item No. 9. d.
Council Meeting Date: March 12, 2018

TITLE: Adoption of GBURA Grant/Loan Assistance Policies

SUMMARY AND BACKGROUND:

The Council acting as the GBURA reviewed draft policies at several prior meetings. The URA approved the final policies at the February 26, 2018, meeting and asked that a resolution be prepared with the policies for adoption at this meeting.

SUGGESTED MOTION:

I make the motion that the URA adopt Resolution GBURA R1718-01, a resolution adopting \$10K or Greater Grant/Loan Program Assistance Policies.

**Gold Beach Urban Renewal Agency (GBURA)
\$10K or Greater Grant/Loan Program Assistance Policies**

A. Geographic Scope:

Within the Urban Renewal District. (Map Attached)

B. Purpose

The purpose of this policy is to implement portions of the adopted Gold Beach Urban Renewal Plan, specifically the projects identified in the plan which include any of the following: Streetscape Improvements, Property Assistance/Redevelopment Opportunities, Attractive Public Parking, Community/Tourist Facilities, the library Community Center, Performing Arts Facility, Family Entertainment/Recreation, Property Acquisition, and Small Business/Restaurant Program, and other projects approved in the UR Plan.

C. General Criteria

- 1) Subject property(ies)/ project(s) must lie within the Urban Renewal District's "Geographic Scope" referenced in Section A.
- 2) Current or prospective owner(s) or developers representing owner(s) with the owner's written consent, must be willing and agreeable to undertake a building/property restoration, redevelopment or development project.
- 3) All projects submitted for URA funding consideration must conform to one or more projects or goals stated in the adopted Gold Beach Urban Renewal Plan.
- 4) When considerations for project funding are being made, the following criteria will serve as guidelines to help evaluate and when appropriate, rank applications:
 - i. Preference will be given to projects that have the end result of viable for-profit business occupancies upon project completion. (3 points)
 - ii. Preference will be given to projects that help achieve the mission of the Gold Beach Urban Renewal Plan to revitalize Gold Beach by either investing in public improvements and public/private development partnerships or facilitating the development of commercial parts of the Urban Renewal District to create jobs and income that will provide economic support to Gold Beach. (2 points)
 - iii. Preference will be given to projects that can demonstrate the mitigation, reduction, or removal of blight as defined by ORS¹. (2 points)
 - iv. Preference will be given to projects with higher ratios of private investment to public funding and expected return of property tax revenues. (1 point)
 - v. Preference will be given to projects that fully utilize or maximize the square footage of the building, as opposed to only the ground floor or only upper floors. Applicants are strongly encouraged to develop projects that include a ground-floor "storefront" with residential housing unit(s) above. (1 point)
- 5) A third party developer may represent the property with owner's written consent.

- 6) Any past-due fines, taxes, liens, fees or outstanding violations of local ordinances or permits must be addressed prior to any financial participation from the URA. Projects with a total cost of \$100K or greater will required a preliminary title report to be submitted with the application.
- 7) Project applicant must enter into a bond or surety agreement with the URA for performance.
- 8) Any funds disbursed by the URA will be considered a reimbursement based on qualifying expenses submitted by the applicant unless other arrangements are made at the time of agreement.
- 9) The applicant's financial need, or lack thereof, will not be considered as part of the evaluation of the application. The applicant must be able to meet the required match.
- 10) Funding decisions will not be based on whether or not a project has been started or completed prior to award, provided the project has been determined to be eligible for funding under this policy. Applications submitted for projects underway that have otherwise met the criteria for funding consideration will be treated with equal merit to those projects that are under consideration which have not yet started.

D. Allowed Uses of Funds

- 1) Professional design and engineering services, provided the project is completed within the terms of the agreement.
- 2) Project must comply with all relevant local, state and federal laws and codes.
- 3) Exterior façade renovations, to include:
 - i. Windows
 - ii. Doors
 - iii. Storefronts
 - iv. Alley-facing entrances
 - v. Painting and cleaning
 - vi. Masonry repair, restoration or cleaning
 - vii. Appropriately repairing, restoring or replacing of cornices, entrances, doors, windows, decorative details and awnings
 - viii. Sign removal, repair or replacement
 - ix. Building identification
 - x. Critical maintenance, structural or code compliance
 - xi. Restoration projects, including removal of slip sheathing or other treatments
 - xii. Roofs & roof repair
- 4) Accessibility issues, to include elevators and associated equipment.
- 5) Streetscape improvement projects.
- 6) Site-related infrastructure.
- 7) Work required for Building Code compliance.

- 8) New site development, new construction.
- 9) Mitigation, reduction or removal of blight.
- 10) Other interior work to be approved on a case-by-case basis:
 - i. Permanent improvements that have a life span greater than five years that are not considered basic or minor tenant improvements or other items or fixtures that cannot easily be removed from the structure.
 - ii. Mechanical, electrical, plumbing systems upgrades or repairs.

E. Prohibited uses of funds

- 1) Refinancing existing debt.
- 2) Marketing property for re-sale.
- 3) Payment of taxes, fines, liens, or fees current or delinquent.
- 4) Payroll of employees related to the developer or associated businesses, unless involved in the construction phase of the project.
- 5) Cleaning unless it is required as part of an otherwise allowable use of funds.
- 6) Interior improvements (unless directly related to an approved exterior project or part of a needed and approved structural or accessibility improvement project) including but not limited to:
 - Carpeting, floor coverings.
 - Interior painting.
 - Removable fixtures, furnishings, etc.
- 7) Professional design and engineering services except as part of an approved project.
- 8) Working capital.
- 9) Financing of inventory.

F. Applicant Criteria

- 1) Proposals may come from tenants, owners of buildings or third party developers; if other than the owners, an authorization letter from owner(s) must accompany proposal/ application.
- 2) Approved renovation projects should be ready to begin within six (6) months of application and shall be completed within eighteen (18) months of application unless an extension has been granted.
- 3) Applicants must enter into an agreement with the URA and work with City/URA on their project.
- 4) Applicant cannot have any outstanding or unresolved fine, lien, fee, permit, lawsuit or infraction with the City of Gold Beach.
- 5) Any agreement or application extensions may only be granted by the URA. All granted extensions will be reported to the URA.
- 6) Any deviations from initial submittals must be approved by the URA.
- 7) Projects may commence prior to funding award, at the applicant's risk, but only after a written application has been submitted and the URA deems the application

complete. The applicant acknowledges that submission of the grant application does not bind the URA in any way and that funding cannot be approved more than one fiscal year following the submission of the application.

G. Funding Information

- 1) Projects should be a minimum of \$10,000, total cost:
 - i. City of Gold Beach Urban Renewal — up to 1/2 of total cost, up to \$75,000.
 - ii. Private building owner(s)/tenant(s)/ developer(s) must contribute at least 1/2 of total project cost; contribution may come from commercial lenders or other sources, including grants or loans from other agencies on applicant's behalf.
 - iii. Funding for projects is typically capped at \$75,000 as described above, however, major projects with a total project cost in excess of \$500,000 may be considered for higher levels of funding on a case-by-case basis. These major projects, at the URA's discretion, may be considered for approval outside the normal funding cycle, which would include the District Manager calling for a special meeting of the URAC and/or the URA to consider such requests.
- 2) Funding is contingent upon budget approval and subsequent availability of funds.
- 3) Local funds may at times be augmented by outside sources, such as State of Oregon grants.
- 4) Funds will be disbursed on a reimbursement basis ONLY; accurate and timely receipts are required to receive funds from the URA.
- 5) Normally, funds will be disbursed on completion of the project; however, the final agreement will include the payment and reporting requirements.
- 6) The URA will have the ability to make loans in addition to, or in place of, grants at its discretion.
- 7) Real property related to the project may not be transferred or sold within five (5) years from the date of the first disbursement of funds. In the event of a sale, the contribution of URA funding will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon said sale or transfer. Liens may be placed on properties receiving URA benefits for amounts up to the full grant amount at the discretion of the URA. Projects initiated by the City of Gold Beach or the Gold Beach Urban Renewal Agency would be exempt from this provision.
- 8) Funds disbursed under this program may not be combined with Building Façade Grant funds related to the same project at the same time (during a 12-month period) and site location.

H. Application and Approval Procedure

- 1) Application must be on a project intake form provided by the URA and must include all necessary and required supporting documentation so as to fully satisfy all of the

- above-stated criteria to be deemed complete. Project applications may be submitted either as digital entries (Adobe Acrobat, Microsoft Word, Microsoft Excel, Microsoft PowerPoint or JPEG image files are acceptable formats) that are emailed or hand-delivered as a CD or as hard copies hand-delivered or mailed to City Hall. Faxed copies will not be accepted.
- 2) Any and all of the following bodies may be involved in the approval and/or review of a project:
City Council/URA and Advisory members, Planning Commission, City staff, State and local Main Street program members, State of Oregon Historic Preservation Office staff.
 - 3) All funding requests will require Gold Beach Urban Renewal Agency approval at a public meeting.
 - 4) Upon receipt of an application, applicants will be notified within thirty (30) days of project application completeness.
 - 5) Applications may be modified or approved with conditions.
 - 6) Applicants may be asked to present their projects to any of the bodies listed in Section H.2.
 - 7) City/URA staff may provide technical assistance and resources to applicants to help ensure successful applications to the extent possible.
 - 8) City/URA staff will review applications and provide a staff report which shall include comments regarding how the application meets the criteria required in this policy and conformance with the Urban Renewal Plan.
 - 9) The Urban Renewal Agency and the Advisory Committee members shall conduct a meeting to consider the funding applications and evaluate the applications. For each application, the Urban Renewal Agency, based on the criteria contained in this policy and the input received at the joint meeting, shall determine funding for each project.
 - 10) For each project funded, the URA shall establish a minimum amount to be funded and a maximum amount to be funded, based on the projected funding available.

I. Submittal Requirements:

- 1) All submissions must be accompanied with the following information:
 - i. Building owner name & contact information.
 - ii. Project applicant name (if different from above) & contact information.
 - iii. Letter of authorization from building owner, if owner is not applicant.
 - iv. Building address.
 - v. Current photograph of the building & historic photos, if available.
 - vi. Funding amount requested.
 - vii. Detailed project budget, including sources of funds.
 - viii. Detailed text and/or visual description and conceptual drawings of project.
 - ix. Current building use, including tenant names and contact information.

- x. Project timeline.
- 2) The submitted application and proposal for the project, once accepted as the final concept, shall become and wholly remain the property of the City/URA. The City/URA will retain the reproduction rights to use images of the artwork to prepare and distribute marketing materials, web site materials or for any other use in promotional materials. Submitted applications and materials are considered public records and subject to Oregon public records retention and disclosure requirements.

ⁱ ORS 457.010 (1) "Blighted areas" means areas that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

(A) Defective design and quality of physical construction;

(B) Faulty interior arrangement and exterior spacing;

(C) Overcrowding and a high density of population;

(D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or

(E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

(d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

(e) The existence of inadequate streets and other rights of way, open spaces and utilities;

(f) The existence of property or lots or other areas that are subject to inundation by water;

(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or

(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

Urban Renewal Boundary - Gold Beach, Oregon



 Urban Renewal Boundary

 Gold Beach City Limits

 Old Urban Renewal Boundary

This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

MARCH 12, 2018 COUNCIL PACKET



MISC. ITEMS

(Including policy discussions and determinations)

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. **10. a.**
Council Meeting Date: March 12, 2018

TITLE: STREET SURVEY RESULTS

SUMMARY AND BACKGROUND:

As reported in February the street funding survey went out in the January water bills and was also posted online. The results are tabulated listed below.

The written comments are divided into categories based on: A, B, Either, Neither, or General. After going through them all, it's obvious there is a lack of basic awareness of services, what monies can legally be used for what purposes, and jurisdictional responsibilities. There were some insightful and helpful responses, and there were some ignorant and rude responses. Overall it was an interesting exercise in the democratic process.

After the Council has had the opportunity to review and digest the survey and responses we can discuss what direction you would like to take.

Overall Results:

OPTION	#
A – Monthly fee collected on utility bill	30
B – Gas tax	153
Either/or Both	7
I don't care either way, BUT	3
Neither	4
TOTAL RESPONSES RECEIVED	197
<i>Total Responses received at City Hall</i>	123
<i>SurveyMonkey responses</i>	74

MISC ITEMS (including policy discussions & determinations)

TABLE OF COMMENTS RECEIVED

Please note—these are the transcribed actual comments from the sheets—no corrections have been made for grammar, readability, or spelling

OPTION A COMMENTS
My opinion is \$1 to \$5 dollar increase on the monthly water bill is really not much and probably would go unnoticed...and even though a 1 to 4 cent tax per gallon on our local gas doesn't sound like much then 1 is gonna hurt our local economy...just because our gas prices are already fairly high because were a rural area which in turn could hurt our tourist season if our gas prices are high...some grumpy dumb locals may not like when were flooded with tourists but it really does help our economy big time cause all the money that comes into our local business...and if its only gonna be a few bucks a month more to improve our roads that's a good thing. Raising gas prices is also gonna hurt local folks too (like mainly loggers and truck drivers) who already have very high fuel bills...
It seems many people-locals and tourists don't buy their gas in town
Unfair to non-residents
I lived up river for yrs. Moved to town 3 yr ago. I had water system 10,000 gal stored, filters, UV, pumps, so on. I gladly pay 5.00 xtra. Also the first responders are incredible, alarms going off 2am 3am 4am 7 days 24 hours living up river never knew!
I am out of state so gas taxes don't work I would vote for the increment on the water bill
Considering this option. Is there a time or monetary limit on this charge.
It seems like it would be most fair if both revenue sources were used, but perhaps the administrative expenses to collect the funds would be doubled (not good). I'd favor Option A, because we depend on no-local traffic for our businesses and infrastructure, so we don't want to be expensive for them. Hopefully the "Pavement Condition Survey" addressed cut and fill stability and drainage capacity and impervious surface effects on drainage – otherwise the plan may not address the causes of road failure!
OPTION B COMMENTS
Gas tax. Tourism ☺
A tax on fuel is <u>more FAIR</u> to residents since it taxes those who "use up" the roads via vehicle use, which includes the vehicles that <u>just pass through</u> – which are often very big heavy vehicles such as commercial trucks and various large RVs. Property taxes in GB are already high (mostly to pay for schools), so I really object to shouldering the cost of repairs as a resident <u>when you offer</u> an option that distributes coast among actual <u>USERS</u> of roads via gas tax. Go with gas tax please. Maybe also <u>EXTRA TAX</u> on <u>diesel</u> fuel since most of the heavy vehicles (that inflict more damage) use this fuel type!
Since we are talking about Road Repairs. This should be part of a gas tax. Why should home owners be the only one to pick up the bill.

MISC ITEMS (including policy discussions & determinations)

We believe this the best choice, taxing everyone that uses the roads
...more fairly places the burden on those who use/damage/ware-out the cities roads...
Capital improvement plan?? or repair & maintenance Cost of collection? What exactly are these capital improvements? They don't sound like repair and maintenance. Perhaps the city's engineers are WRONG You all better look again for your money somewhere else than my shallow pocket!! ☺ Option B so far my choice or is ther an option C??
The price of gas fluctuates varies all year long so people won't notice any real increase in price, due to the tax. Also "B" would tap HIGHWAY 101 thru traffic and should be more efficient. PS The cost of street repairs would be shared by a much larger group of people
GAS TAX ONLY FAIR WAY EVERY BODY PAYS
I believe the gas tax would be the equitable
Feel Option B spreads the responsibility
I vote for Option B – which would also exact revenue from people who don't just live locally but utilize the local resources
Option A = home owners foot the bill for roads that are used by everyone. Therefore, I choose Option B = more fair
A gas tax may allow tourists to help pay for maintenance of the roads they use
I'd prefer Option B – because Option A would cost me more. I can always get my gas somewhere else!
<ul style="list-style-type: none"> - Water bill already high enough compared to other localities, due to our sewer plant/water treatment upgrades! - Seems like might be reasonable to include our many out-of-town visitors in helping pay for this, as they use the roads off of 101 as well!
Best thing would be tax <u>ALL</u> who use the roads, including travelers. Thank you! ☺
With Option B there is a nexus between those who use the service (roads) and those who pay. Also, some of the money to be raised will come from tourists who also use the roads. Water fees should be used only for water system service & improvements.
If the Sheriff's Dept would leave the road funds alone, you might have what you need. How is that even fair?
WHAT DOES THE WATER UTILITY BILL HAVE TO DO WITH ROAD MAINTENANCE. GAS AND DIESEL IS RELATED TO ASPHALT WEAR AND TEAR. THOSE DRIVING ON ROADS SHOULD BE PAYING FOR REPAIRS.
WE LIKE OPTION B – per gallon tax on local gas sales. THANKS! GOD BLESS THE USA!
WHY WOULD WE NEED TO HAVE CHARGES ON OUR WATER BILL TO PAY FOR THE ROAD REPAIR? LET'S KEEP OUR WATER BILL FEES TO PAY FOR WATER RELATED ISSUES. I FAVOR

MISC ITEMS (including policy discussions & determinations)

OPTION B! GAS TAX ON AUTOMOBILE DRIVING TO PAY FOR ROAD REPAIR.
Better to get tourist to help pay. Visitors need to help.
A gas tax would include tourist who use the roads more than water use (which only happens if they rent a hotel room or house)
YEAH, OPTION B IS THE WAY TO GO. WHY NOT LET ALL OF OUR TOURIST FRIENDS HELP PAY? SEEMS FAIR
ROAD USE = VEHICLE/GAS
The sewer & water is comparatively high already in cost. When you add an additional amount it always starts low but is easily increased and that always happens. Local gas sales tax would have all drivers helping.
Take it out of the sewer budget
Utility revenue should be spent for utilities only
I would support Option "B". I believe it to be more equitable.
MAKE THE TOURIST PAY
Option B would be best. Gas is so outrageous here anyway what is another 4 cents
How LONG will this be on?
Gas goes in cars – Cars drive on Roads – Those of us with cars should pay for roads
We <u>strongly</u> believe a gas tax would be the best. Not only local people but, others passing through would enjoy the maintenance. Either North Bend or Coos Bay are doing this. You may see how it's working for them.
I WOULD EXCLUDE THE ETHANOL FREE GAS FROM THIS AS IT WOULD PUT UNDUE BURDEN ON THE LOCAL FISHING GUIDES WHO USE THIS GAS.
GAS TAX PLEASE – PEOPLE BUYING GAS ARE THE USERS OF THE ROAD – SEEMS FAIR USES SHOULD PAY FOR WHAT THEY USE! THANK YOU 😊
SEEMS LIKE THIS WOULD ALLOW OUR WONDERFULL TOURISTS TO MAK OUR ROADS BETTER FOR THEM!!
PLEASE PUT THE TAX ON GAS FOR THOSE ARE THE PEOPLES USING THE ROADS. AND IT WOULD HURT THE POOREST – THE LEAST. THANK YOU
Please add upper Turner St. from Coos Curry driveway north up to Betuch driveway on the west side. If I fall down on the holes?
It spreads the burden on all residents as well as the tourists. Plus, less fuel efficient vehicles are often heavier and put greater wear and tear on the road.
Gas tax seems to be working quite well for Brookings!!!
We have been thinking about the best revenue stream for the city for maintenance. The fuel tax makes the most sense as it will pick up a few dollars from the tourist trade. As a contractor we often buy our fuel bulk, Diesel and Gas. The airport, Jerry's Jets, forest service and others does the same. If a program is put together using fuel tax make sure that bulk fuel is put into the equation. Thank you for the survey.

MISC ITEMS (including policy discussions & determinations)

Go with the GAS TAX, !!! THE GAS TAX, SIMPLE..
I really believe the gas tax option makes the most sense. It is directly related to street use and while I understand you can implement a street utility tax, I believe the gas tax has the most merit.
Everyone that uses the road pays for gas. If we did a monthly fee on our bill it would only affect some people.
Gas tax captures visitors as well.
It would be difficult to see that extra \$5 on the water bill every month, tho it seems a more stable means of funding for the City. Well users would get off Scott free? Go with gas tax!
people that use our roads should pay for maintance
What does the "road repair tax" have to do with the water I drink? Why do those of us who don't drive, have to pay for fixing the roads for those of you who do?
The gas tax is fairer. Everyone who drives in Gold Beach should contribute, not just those who pay a water utility bill.
B would be partially funded by tourists who are using the road, makes sense. A - people know exactly how much they are paying. With B no one really realizes they are paying for it as they don't "see" it broken out on the receipt.
There is a long tradition of funding roads with tax revenue on fuel. It has at least an indirect connection between use of roads -> buying fuel -> and wear on roads. Plus, those just passing through who buy gasoline will subsidize the repairs.
EITHER A OR B, or a COMBO OF BOTH COMMENTS
I would like to see a combination of the 2 options eq. \$2.50/mo utility charge & \$0.25 cents/gallon. This spreads the costs out as much as possible
Either option – we need our city streets maintained & we are happy to pay!
I’M OK WITH EITHER WAY – WHATEVER WORKS BEST FOR MOST!
Both would be acceptable. “Option B” obviously utilizes tourist dollars as well but either option would be acceptable!
I would not object to either – or both!
I’d split it. Don’t know if this will affect us much in Wedderburn. Parts of the loop road down below by jetty are cracking on the Oceanside of the road. Will funds cover this? Also on the riverside going up Doyle Pt. Rd? Option A - #3/mo Option B - .025/gal
Good user tax. Why not do some of both options since they reach different people groups. We are praying for our infrastructure! Thank God for Will Newdall.
Perhaps the gas tax along with a small flat fee to improve the capital fund at a faster pace.
Tourists use our roads extensively. So, I think another option would be to combine the two

MISC ITEMS (including policy discussions & determinations)

options set forth. A very small portion of the funds should be raised in higher water fees. But most of the capital should come through a local gas tax. This would incorporate not only locals paying but tourists helping out with the roads we all use. I hope you consider this as a valid option. Thanks for listening.
NEITHER COMMENTS
We are not in your jurisdiction so want neither option!!
The water/sewer bills are very high as is – while I appreciate the city’s pie in the sky excessive plans for roads, as a taxpayer on a fixed income, I absolutely would <u>not</u> endorse any further increase to pay for anything more.
Don’t care for either option. What was done previously and why is there a shortage now? This should go to a citizen vote.
FOR HOW LONG?
GENERAL COMMENTS
Whatever it takes. Would like to have the roads in better condition. Also, please install a street lamp at the intersection of the library drive, Grizzly Mtn Rd, Park Drive, 3 rd Street, and Park Place. It’s a 5 drive intersection. It needs a street lamp.
I don’t care how you fund it. Just fix it write an keep the runoff out of my yard and put a speed bump in the to slow the speeders on 11 th st.
Is getting grants an option?
As usual the City is expecting county residents to fund their needs. Public safety and medical care are already paid by residents outside of the city. How about a city liscensing or property fee for city residents?

~~END OF MARCH COUNCIL REPORT~~

FROM THE FEBRUARY 12, 2018 COUNCIL REPORT

The approved survey went out in the January water bills and the SurveyMonkey survey is live on our City webpage: goldbeachoregon.gov. As of Friday we have received a total of 159 responses either by returning the page or taking the survey online.

OPTION A: Fee on monthly utility bill - 29

OPTION B: Gas tax - 130

We have received 66 written comments; some have been thoughtful and engaging, others have been snarky and ignorant. Democracy in action!

We will close the survey at the end of the month and I will have the survey results tallied and the comments put into a digestible format for the March meeting.



MISC ITEMS (including policy discussions & determinations)

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. **10. b.**
 Council Meeting Date: March 12, 2018

TITLE: Administrator Salary Review

SUMMARY AND BACKGROUND:

Prior to the February 26th Urban Renewal meeting, the Council met in executive session with me for the annual performance evaluation. Following the evaluation the Council reviewed the salary survey that Councilor Campbell asked me to prepare for the regular February meeting. A copy of that salary study was included in the February 12th regular agenda packet and is attached at the end of this report.

At the executive session Councilor Campbell presented the Council additional salary data that she had compiled. A summary of Councilor Campbell’s findings is provided below:

Carlton and North Plains were closest in size and number of employees supervised.

City	POP	REGION	SALARY	# OF FTE	EXTRAS	DEPTS
COMPARISON OF CARLTON & NORTH PLAINS						
Gold Beach	2300	CURRY CO	\$68,000	20	\$40 CELL ALLOWANCE	ADMIN, PW, PD, MUNI, VISITOR CTR
Carlton	2205	YAMHILL CO	\$95,917	15		ADMIN, PW, POOL
North Plains	2128	WA CO	\$105,000	15	CITY CELL PHONE	ADMIN, PW, PD, LIBRARY

MISC ITEMS (including policy discussions & determinations)

She compared Gold Beach with seven other cities with populations between 2100 & 2600.
The average salary was \$84,802

City	POP	REGION	SALARY	# OF FTE	EXTRAS	DEPTS
COMPARISON OF CITIES 2100-2600						
Gold Beach	2300	CURRY CO	\$68,000	20	\$40 CELL ALLOWANCE	ADMIN, PW, PD, MUNI, VISITOR CTR
North Plains	2128	WA CO	\$105,000	15	CITY CELL PHONE	ADMIN, PW, PD, LIBRARY
Union	2150	UNION CO	\$60,000	<i>POPULATION & SALARY DATA ONLY</i>		
Carlton	2205	YAMHILL CO	\$95,917	15		ADMIN, PW, POOL
Sisters	2390	DESCHUTES CO	\$109,907	<i>POPULATION & SALARY DATA ONLY</i>		
Myrtle Point	2525	COOS CO	\$66,500	<i>POPULATION & SALARY DATA ONLY</i>		
Gervais	2555	MARION CO	\$73,472	<i>POPULATION & SALARY DATA ONLY</i>		
Dayton	2635	YAMHILL CO	\$82,820	<i>POPULATION & SALARY DATA ONLY</i>		
AVERAGE			\$84,802			

She compared the Cost of Living Index for the seven cities:

COST OF LIVING INDEX (city-data.com)			
<i>(As of March 2016 - US average 100.0)</i>			
CITY	POP	SALARY	INDEX #
Gold Beach	2300	\$68,000	88.0
North Plains	2128	\$105,000	94.1
Union	2150	\$60,000	86.4
Carlton	2205	\$95,917	102.6
Sisters	2390	\$109,907	91.4
Myrtle Point	2525	\$66,500	87.1
Gervais	2555	\$73,472	96.4
Dayton	2635	\$82,820	101.7

~END OF MARCH REPORT~

MISC ITEMS (including policy discussions & determinations)

REPRINT OF FEBRUARY 12, 2018 COUNCIL PACKET REPORT

CA/CM Salary Survey & Schedule Performance Review

Councilor Campbell asked if I could provide a survey of other CA/CM salaries prior to your planned performance appraisal of me. I posted on my CM listserv and asked cities under 4000 to respond.

I asked the following questions:

- What is your population
- What departments does your city have
- Approximate number of employees (FTE)
- Yearly salary
- Any special paid time off
- Retirement other than PERS
- Any special allowances (like phone, vehicle, etc.)

I received 15 responses with answers to the questions, and 14 responses with just salary info.

I sorted the answers into those two types. The *With Answers* was sorted smallest population to largest. The *With Just Salary and Pop* were sorted largest population to smallest (I didn't notice until after I finished that I didn't sort them the same way!)

I additionally added what county the city was located in because the region matters for financial context. As an example, Cannon Beach is considerably smaller than us in population, but because it's the Portland area coast community it pays considerably more and even has a housing allowance (housing must be scary!).

I'd like the performance review to be in executive session. Depending on how long you think it will take, we could do it prior to the URA meeting on the 26th, or wait until before the March 12th meeting. I will bring blank review forms this Monday so you have time to ponder and complete them.

SPREADSHEETS ATTACHED

THOSE THAT RESPONDED WITH INFO

City	POP	REGION	SALARY	# OF FTE	EXTRAS	DEPTS
CITIES THAT RESPONDED TO THE QUESTIONS						
<i>Gold Beach</i>	<i>2300</i>	<i>CURRY CO</i>	<i>\$68,000</i>	<i>20</i>	<i>\$40 CELL ALLOWANCE</i>	<i>ADMIN, PW, PD, MUNI, VISITOR CTR</i>
GLENDALE	875	DOUGLAS CO	\$49,294	5	\$20 CELL ALLOWANCE	PW
HALSEY	915	LINN CO	\$64,490	5	\$40 CELL ALLOWANCE	ADMIN, PW, LIBRARY, CEMETERY
Coburg	1070	LANE CO	\$90,167	13	CITY CELL PHONE	PW, ADMIN, PD, COURT, PLANNING
LYONS	1160	LINN CO	\$42,000	4		ADMIN, PW, LIBRARY, CEMETERY
Cascade Locks	1310	HOOD RIVER CO	\$85,000	14	\$100 CELL PHONE ALLOWANCE	ADMIN, PW, ELECTRIC
AMITY	1620	YAMHILL CO	\$62,500	9	CITY CELL PHONE	ADMIN, PD, PW, LIBRARY
CANNON BEACH	1705	CLATSOP CO	\$130,000	36	\$1200 HOUSING ALLOWANCE CITY CELL PHONE	ADMIN, PW, PLAN/BLDG, PD
North Plains	2128	WA CO	\$105,000	15	CITY CELL PHONE	ADMIN, PW, PD, LIBRARY
Carlton	2205	YAMHILL CO	\$95,917	15		ADMIN, PW, POOL
ESTACADA	3085	CLACKAMAS CO	\$103,500	24	\$300 CAR ALLOWANCE 80 ADD VAC HRS	ADMIN, PW, PARKS, LIBRARY, ECON DEV, PLANNING/BLDG, URA
Myrtle Creek	3490	DOUGLAS CO	\$86,000	22	CELL PHONE ALLOWANCE AND CITY VEHICLE	ADMIN, PW, PD, FIRE, PARKS
MT ANGEL	3541	MARION CO	\$89,000	25	\$50 CELL ALLOWANCE, \$75 CAR ALLOWANCE	ADMIN, PW, PD, LIBRARY
Toledo	3586	LINCOLN CO	\$97,000	43	\$200 CAR ALLOWANCE \$75 TECH ALLOWANCE	ADMIN, PD, FIRE, PW, PARKS, LIBRARY
Harrisburg	3655	LINN CO	\$92,460	12	CELL PHONE	PW, ADMIN, LIBRARY
		MEAN (AVERAGE)	\$84,022			
		MEDIAN (MIDDLE)	\$89,000			
		MODE (REPEAT OR CLOSE)	\$85,000			
		RANGE (DIFF BETWEEN LARGEST/SMALLEST)	\$88,000			

THOSE THAT RESPONDED WITH SALARY ONLY						
City	POP	REGION	SALARY	# OF FTE	EXTRAS	DEPTS
POPULATION AND SALARY DATA ONLY						
King City	3817	WA CO	\$70,000			
Dundee	3257	YAMHILL CO	\$80,340			
Nyssa	3188	MALHEUR CO	\$72,000			
Shady Cove	3055	JACKSON CO	\$65,000			
Jacksonville	2920	JACKSON CO	\$73,000			
Burns	2830	HARNEY CO	\$65,196			
Sublimity	2755	MARION CO	\$72,000			
Dayton	2635	YAMHILL CO	\$82,820			
Gervais	2555	MARION CO	\$73,472			
Myrtle Point	2525	COOS CO	\$66,500			
Sisters	2390	DESCHUTES CO	\$109,907			
Union	2150	UNION CO	\$60,000			
Millersburg	1730	LINN CO	\$90,000			
		MEAN	\$75,403			
		MEDIAN	\$72,000			
		MODE	\$72,000			
		RANGE	\$49,907			
REGIONAL CITIES						
Brookings	6700		\$110,000			
Reedsport	4155		\$78,000		\$75 CELL ALLOWANCE	
Coquille	3920		\$90,000			



MISC ITEMS (including policy discussions & determinations)

GOLD BEACH CITY COUNCIL AGENDA REPORT

Agenda Item No. **10. c.**
Council Meeting Date: March 12, 2018

TITLE: MARIJUANA JOINT MEETING TOPIC QUESTIONNAIRE

SUMMARY AND BACKGROUND:

After the January Marijuana Town Hall the Mayor had indicated the Council would hold a joint meeting with the Planning Commission to discuss the matter further. Since it was unclear to staff from the town hall what the citizen requested action on the Council's part would be, staff drafted a letter and mailed it to those individuals that had participated in the various conditional use hearings and the town hall to solicit their input. A copy of the letter is attached. We will also keep copies at the front counter to pass out. Once we receive some feedback on what the citizens would like the Council to consider in the way of mitigating their concerns, we can then develop a framework for the joint meeting. If we don't receive any, or very little input, I will inform the Council and you can decide where you want to go from there.



City of Gold Beach

29592 Ellensburg Avenue • Gold Beach, OR 97444

Administration: 541-247-7029 • Police: 541-247-6671 • www.goldbeachoregon.gov

Visitor Center: 541-247-7526 • www.visitgoldbeach.com

March 8, 2018

Dear Concerned Citizen:

In the past few months the City has held several public hearings and meetings related to retail recreational marijuana shops. During these meetings various concerns have been presented to the Planning Commission and Council. The Mayor would like to hold a joint meeting between the Council and the Planning Commission to discuss possible revisions to the current regulations related to these types of businesses. In order to ensure the meeting is productive we would like to solicit your input on what type/kind of changes you wish the City to consider. The joint meeting would not be for the purpose of rehashing previously stated issues, but to work on possible solutions, if any, to the concerns expressed.

What exactly would you like the Council to consider in the way of mitigating the concerns?

The answers we receive will be the framework for the meeting discussion. Please take a moment to consider what your specific proposed Council action would be.

For example (and these are just samples):

I would like the Council to consider putting the option of prohibiting recreational marijuana businesses on the November ballot.

OR

I would like the Council to consider prohibiting recreational marijuana businesses from being located within 1000' feet of each other.

OR

I would like the Council to consider prohibiting recreational marijuana businesses within a certain distance of residences (like 250', 500', 1000' or 1 block, etc.)

OR

I would like the Council to considering prohibiting recreational marijuana businesses from being located on Hwy 101.

Please write out your specific topic to be considered on the back of this form, OR please stop in at City Hall and speak with planning staff and we can take down your specific topic. Once we have a starting point for the meeting discussion, we can proceed with the workshop meeting. You will be notified in writing of the meeting date and time.

We look forward to hearing from you to help craft the meeting topics.

The City of Gold Beach is dedicated to enhancing quality of life, while promoting the health, safety, and welfare of our citizens, businesses, and visitors in the most fiscally responsible manner. In doing this, the City will respect the past, respond to current concerns, and plan for the future, while maintaining environmental sensitivity in our beach oriented community.

