

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE CITY FINANCE OFFICER TO EXECUTE ANY DOCUMENTS NECESSARY RELATED TO A LOAN AGREEMENT WITH THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION (TDEC) FOR FINANCING OF CAPITAL CONSTRUCTION PROJECTS REQUIRED BY THE CONSENT DECREE FOR THE INTERCEPTOR SEWER SYSTEM (ISS), IN THE AMOUNT OF FORTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$42,500,000.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, it is hereby authorizing the City Finance Officer to execute any documents necessary related to a loan agreement with the Tennessee Department of Environment and Conservation (TDEC) for financing of capital construction projects required by the Consent Decree for the Interceptor Sewer System (ISS), in the amount of \$42.5 million.

ADOPTED: _____, 2016

/mem

City of Chattanooga



Resolution Request Form

(This form is only required for resolutions requiring expenditure of City funds)

Date Prepared: March 17, 2016

Preparer: Michael C. Patrick, Director

Department: Public Works/Waste Resources

(District: 1, 3, 5 + 8)

Brief Description of Purpose for Resolution:

Resolution Number (if approved by Council): _____

Authorization for City Finance Officer to execute any documents necessary related to a loan agreement with the Tennessee

Department of Environment and Conservation for financing of capital construction projects required by the Consent Decree

for the Interceptor Sewer System (ISS).

Name of Vendor/Contractor/Grant, etc. _____

TDEC

New Contract/Project? (Yes or No) _____

Total project cost \$ 42,500,000.00

Funds Budgeted? (YES or NO) _____

Total City of Chattanooga Portion \$ _____

Provide Fund 6012

City Amount Funded \$ _____

Provide Cost Center _____

New City Funding Required \$ _____

Proposed Funding Source if not budgeted TDEC

City's Match Percentage % _____

Grant Period (if applicable) _____

List all other funding sources and amount for each contributor.

Amount(s)

Grantor(s)

\$42,500,000.00

TDEC

\$

Agency Grant Number _____

CFDA Number if known _____

Approved by: _____

DESIGNATED OFFICIAL/ADMINISTRATOR

Reviewed by: FINANCE OFFICE

Please submit completed form to @budget, accounting, City Attorney, City Finance Officer and Deputy Administrator Finance

AUTHORIZING RESOLUTION _____

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Chattanooga is a public and governmental body in Chattanooga, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number **SRF 2016-357** (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of monies in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of FORTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$42,500,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of FORTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$42,500,000) for the purpose of funding all or a portion of the total estimated cost of the Project FORTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$42,500,000), by Daisy W. Madison the Chief Finance Officer of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Chief Finance Officer of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2016.

Carol B. Berz, **Council Chairwoman**,

Andy Berke, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)