

Memorandum

November 8, 2018

TO: Infrastructure Finance Authority Board
FROM: Chris Cummings, Assistant Director
SUBJ: Funding Opportunity of \$5,000,000-Special Public Works Fund for the City of Seaside, School Campus Water Tank Design & Construction, No. 880-13421

Requested Action

Informational Only For Board Input For Board Action (see Recommended Motion)

Request

The city of Seaside, located in Clatsop County, has submitted a Special Public Works Fund (SPWF) application for \$5,000,000 to construct a water tank, pump station and distribution lines to serve the new school campus and surrounding residential homes.

The voters passed a bond in 2016 to relocate three schools out of the tsunami evacuation zone, and construction of the new school campus is underway. The water reservoir is identified in the city's water master plan, but with the bond passing, the need to construct the reservoir and associated improvements has been accelerated in order to be completed to accommodate the school district's planned opening in the fall of 2020.

Proposed Project

The city will contract for final design and construction services to build the water tank and pump station. They will also upgrade distribution lines to serve residents located north and south of the school campus to improve water pressure and system reliability.

Funding Summary

The Special Public Works Fund program will finance the project with a recommended Oregon Bond Bank loan. The recipient's General Fund level and Moody's rated public bonds are indicative the applicant is qualified for Oregon Bond Bank financing. The financing will be for a 30 year term loan with approximately level payments at an interim financing rate of 2.25% until Oregon Bond Bank revenue bonds are sold, after which the long-term rate will be established. The repayment sources are a pledge of the city's Water Fund and the city's full-faith and credit.

Recommended Motion

Move to approve an award of \$5,000,000 in Special Public Works Fund program funding to the city of Seaside for the construction of a water tank and pump station. The loan will have an amortization period of 30 years at an interim interest rate of 2.25% until Oregon Bond Bank revenue bonds are sold, after which the long-term rate will be established.