

**RESOLUTION NO. 1048**

**A RESOLUTION RELATING TO A REVOLVING TAX-EXEMPT CREDIT FACILITY FOR THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE.**

WHEREAS, The Urban Renewal Agency of the City of Wilsonville (the "Agency") desires to borrow money to finance urban renewal projects through a Revolving Tax-Exempt Credit Facility (the "Facility") with Bank of America Oregon; and

WHEREAS, the Agency derives its tax-exempt borrowing abilities from the City of Wilsonville, Oregon (the "City"), and the taxation of interest paid under the Facility will be determined, in part, by the amount of tax-exempt obligations which the City and its subordinate entities reasonably anticipate they will issue during the calendar year in which the first Facility draw is made; and

WHEREAS, the City has legal authority under ORS Chapter 457 to instruct the Assessor not to collect a portion of the Tax Increment Revenues, and it will enhance the security for the Facility and reduce the cost of the Facility if the City covenants not to exercise that authority in a way which would interfere with the Agency's covenants in the Facility; and

WHEREAS, the City desires to cooperate with the Agency to reduce the Agency's financing costs:

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

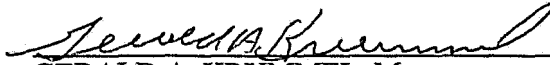
1. The City and all its subordinate entities have not issued, and do not reasonably expect to issue, tax-exempt obligations in calendar year 1993 in a total principal amount that exceeds \$5,000,000. The City hereby irrevocably allocates to the Agency \$1,700,000 of the City's \$5,000,000 limitation provided by Section 148(f)(C)(iv) of the Internal Revenue Code of 1986, as amended (the "Code"). This allocation is conditioned solely upon the Agency making a Draw under the Facility during calendar year 1993 in an amount of \$50,000 or more. After that draw is made, the City and all other subordinate entities will have \$3,300,000 of that limitation remaining for calendar year 1993.

2. The City hereby designates the Facility and its related Note as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code; the City and all its subordinate

entities have not, and will not, so designate more than \$10,000,000 of tax-exempt obligations during calendar year 1993.

3. Unless no amounts are outstanding under the Facility and the Agency has agreed in writing to seek no advances under the Facility, in each Fiscal Year until the Fiscal Year ending June 30, 1995, the City will permit the Agency to certify to the Clackamas County Assessor an amount for collection as Tax Increment Revenues which will produce, on an estimated basis, actual collections equal to not less than the lesser of all Available Tax Increment Revenues or Two Million One Hundred Twenty-Five Thousand Dollars. Capitalized terms used in this Section have the meanings defined for such terms in the Facility.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 20th day of September, 1993, and filed with the Wilsonville City Recorder this same date.

  
GERALD A. KRUMMEL, Mayor

ATTEST:

  
VERA A. ROJAS, CMC/A&E, City Recorder

SUMMARY of Votes:

Mayor Krummel	<u>Yes</u>
Councilor Carter	<u>Yes</u>
Councilor Hawkins	<u>Yes</u>
Councilor Lehan	<u>Yes</u>
Councilor Van Eck	<u>Yes</u>

FINANCE DEPARTMENT  
STAFF REPORT AND RECOMMENDATIONS

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: TOM JOWAISZAS  
FINANCE DIRECTOR

SUBJECT: A RESOLUTION OF THE CITY OF WILSONVILLE RELATING TO A  
REVOLVING TAX EXEMPT CREDIT FACILITY FOR THE URBAN  
RENEWAL AGENCY OF THE CITY OF WILSONVILLE

DATE: SEPTEMBER 15, 1993

SUMMARY

The Urban Renewal Agency of the City of Wilsonville is entering into a tax exempt credit facility agreement with Bank of America Oregon. Since the Urban Renewal Agency derives its tax-exempt borrowing abilities from the city, staff recommends the following:

- The city irrevocably allocate to the Urban Renewal Agency \$1.7 million of the city's \$5 million tax exempt borrowing capacity for calendar year 1993
- The city and all its subordinate entities resolve not to designate more than \$10 million of tax-exempt obligations during calendar year 1993
- The city will ensure that a sufficient amount will be certified by the Urban Renewal Agency each year so that it can meet its obligations under the revolving tax exempt credit facility

The above actions will not in any way negatively impact the city or its other subordinate entities.

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