

**THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE**

**URBAN RENEWAL RESOLUTION NO. 128**

**APPROVE A BID OFFER FROM BANK OF AMERICA AND AUTHORIZE AN INTERGOVERNMENTAL AGREEMENT TO PAY THE CITY'S COSTS FOR A \$15 MILLION LINE OF CREDIT TO FINANCE ROAD PROJECTS IN THE WEST SIDE DISTRICT AND TO BE REPAID BY 2008.**

WHEREAS, City of Wilsonville Resolution 1913 adopted December 6, 2004 authorized a loan application to the Oregon Infrastructure Bank for financing road improvements in the West Side urban renewal area; and,

WHEREAS, staff indicated that it would seek proposals from local financial institutions in addition to the Oregon Infrastructure Bank and did so via a Request For Proposals process (borrowing terms in Attachment A); and,

WHEREAS, city staff discussed the application and loan process with the Oregon Infrastructure Bank and determined that it was not viable given the requirement for penalties due to early retirement of debt; and,

WHEREAS, the responses from the financial institution are tabulated in Attachment B; and,

WHEREAS, the lowest potential total interest and closing costs was offered from Bank of America.

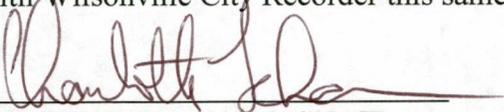
**NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:**

1. To approve the selection by the City of Bank of America to provide \$15,000,000 of financing at a variable rate with a \$15,000 loan origination fee.

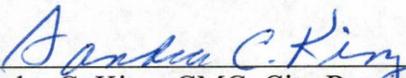
2. To authorize the City Finance Director, or designee, to enter into an intergovernmental agreement that obligates the Agency to pay to the City debt service on the financing described in

Section 1 of this resolution. The intergovernmental agreement shall constitute an indebtedness of the Agency, and shall be secured by a pledge of the Agency's tax increment revenues from the West Side urban renewal area.

ADOPTED by the Urban Renewal Agency of the City of Wilsonville at a regular meeting thereof this 18th day of April, 2005 and filed with Wilsonville City Recorder this same date.

  
\_\_\_\_\_  
CHARLOTTE LEHAN, CHAIR

ATTEST:

  
\_\_\_\_\_  
Sandra C. King, CMC, City Recorder

SUMMARY OF VOTES:

Chair Lehan	Yes
Board Member Kirk	Yes
Board Member Holt	Yes
Board Member Scott-Tabb	Yes
Board Member Knapp	Yes

**ATTACHMENT A  
REQUEST FOR PROPOSAL BORROWING TERMS  
(excerpt from RFP)**

**Proposed Terms of the Note:**

<b>Type of Facility:</b>	bond anticipation note / line of credit
<b>Note Amount:</b>	\$15,000,000
<b>Maturity:</b>	May 1, 2008
<b>Prepayment:</b>	Without Penalty beginning May 1, 2006
<b>Interest Payable:</b>	At Maturity
<b>Tax Exempt?</b>	Yes
<b>Bank Qualified?</b>	No
<b>Closing Date:</b>	Not later than Mid-June, 2005
<b>Disclosure:</b>	None
<b>Security:</b>	The City seeks proposals for two scenarios: 1) both the tax increment revenue from the West Side urban renewal area and the full faith and credit pledge of the city, and, 2) just the tax increment revenue stream from the West Side urban renewal area.

**EXHIBIT B  
TABULATION OF BIDS OFFERED**

	<u>September-05</u>	<u>January-06</u>	<u>March-06</u>	<u>June-06</u>	<u>September-06</u>	<u>January-07</u>	<u>September-08</u>	Total Interest Cost and Loan Origination Fee	
Cumulative draws	\$ 1,000,000	\$ 2,000,000	\$ 5,000,000	\$ 8,000,000	\$ 11,500,000	\$ 15,000,000	\$ 15,000,000		
Assumed interest rate	5.75%	6.00%	6.25%	6.50%	6.50%	6.50%	6.50%		
<b>USNB</b>	65% of Prime	\$ 9,344	\$ 19,500	\$ 50,781	\$ 84,500	\$ 121,469	\$ 158,438	\$ 475,313	<b>934,344</b>
	.10% Origination	\$ 15,000							
<b>West Coast</b>	Prime less 2.5	\$ 8,125	\$ 17,500	\$ 46,875	\$ 80,000	\$ 115,000	\$ 150,000	\$ 450,000	<b>870,000</b>
	\$2,500 Origination	\$ 2,500							
	NOTE:REQUIRES SEMI ANNUAL PAYMENTS								
<b>Key Bank</b>	Prime less .6 times .65	\$ 8,369	\$ 17,550	\$ 45,906	\$ 76,700	\$ 110,256	\$ 143,813	\$ 431,438	<b>841,531</b>
	\$7,500 Origination	\$ 7,500							
<b>Key Bank</b>	Fixed at 4.48	\$ 11,200	\$ 22,400	\$ 56,000	\$ 89,600	\$ 128,800	\$ 168,000	\$ 504,000	<b>987,500</b>
	\$7,500 Origination	\$ 7,500							
<b>Bank of America</b>	63.5% of Prime minus .39	\$ 8,153	\$ 17,100	\$ 44,734	\$ 74,750	\$ 107,453	\$ 140,156	\$ 420,469	<b>827,816</b>
	.10% Origination	\$ 15,000							
<b>Bank of America</b>	63.5% of Prime plus 1.22	\$ 12,178	\$ 25,150	\$ 64,859	\$ 106,950	\$ 153,741	\$ 200,531	\$ 601,594	<b>1,195,003</b>
	.20% Origination	\$ 30,000							
	TAX INCREMENT ONLY								

Note: Only Bank of America provided a borrowing option that pledged only the West Side tax increment stream as security.