

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 228

A RESOLUTION AUTHORIZING A SHORT TERM SUBORDINATE URBAN RENEWAL BOND FOR THE WEST SIDE URBAN RENEWAL AREA.

WHEREAS, the Urban Renewal Agency (the "Agency") of the City of Wilsonville, Oregon finds it desirable to authorize the issuance of a short term subordinate urban renewal bond in the amount of not more than \$2,000,000 for its West Side Urban Renewal Area (the "Area");

WHEREAS, the City of Wilsonville has approved a maximum indebtedness for the Area of \$40,000,000. The Agency has previously issued \$30,000,000 of long and short term indebtedness that is subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the Area to which the maximum indebtedness limitation applies. As a result the Agency has \$10,000,000 of capacity (before this issuance of this Bond and excluding refinancings) to incur indebtedness for the Area;

WHEREAS, Bank of America, N.A. provided a favorable proposal to purchase the short term subordinate urban renewal bond from the Agency;

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

1. Definitions. For purposes of this Resolution, the following capitalized terms shall have the following meanings unless the context clearly requires otherwise:

"Agency" means the Urban Renewal Agency of the City of Wilsonville, Oregon.

"Agency Official" means the Finance Director of the City of Wilsonville, or the person designated by the Finance Director to act as Agency Official under this Resolution.

"Area" means the West Side Urban Renewal Area which is described in the Plan.

"Bank" means Bank of America, N.A.

"Bond" means the Agency's Short Term Subordinate Urban Renewal Bond, Series 2013 which is authorized by Section 2 of this Resolution.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Plan" means the Agency's West Side Urban Renewal Plan which is dated as of November 3, 2003, as that plan has been and may be amended from time to time.

"Project Fund" means any separate fund or account which is not part of the Tax Increment Funds, and which is used to hold the proceeds of the Bond.

"Resolution" means this resolution authorizing the Bond.

“Senior Lien Bonds” means any indebtedness which is payable from the Tax Increment Revenues of the Area and which is outstanding on the date the Bond is issued.

“Tax Increment Fund” means the fund which is established under ORS 457.440 to hold the Tax Increment Revenues.

“Tax Increment Revenues” means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within that Area pursuant to Section 1c, Article IX of the Oregon Constitution and Oregon Revised Statutes, Chapter 457 and all earnings thereon while those Tax Increment Revenues are held in the Tax Increment Fund.

2. Authorization of Bond.

- (a) The Agency hereby authorizes the issuance of the Bond in a principal amount of not more than \$2,000,000; however, the principal amount of the Bond shall not exceed the amount of Tax Increment Revenues which are available in the Tax Increment Fund to pay the Bond on the date the Bond is issued. Tax Increment Revenues shall be considered available to pay the Bond only if those Tax Increment Revenues are not required to be maintained in a debt service fund, reserve fund or similar fund, or as part of a minimum balance or similar requirement, for any Senior Lien Bonds.
- (b) The Bond shall bear interest which is includable in gross income under the Code. The Bond shall bear interest at the rate and otherwise have the terms approved by the Agency Official pursuant to Section 8, and shall mature within 3 days after the Bond is issued.

3. Security for Bond. The Bond shall not be a general obligation of the Agency or the City. The principal of and the interest on the Bond shall be payable solely from the Tax Increment Revenues and from the proceeds of the Bond. The Agency hereby pledges the Tax Increment Revenues to pay the Bond. The lien of this pledge shall be subordinate to the lien of the Senior Lien Bonds, and to any requirement to fund or maintain debt service funds, reserve funds or similar funds or as part of minimum balances or similar requirements for those Senior Lien Bonds. The Agency also hereby pledges the proceeds of the Bond to pay the Bond until such time as the Agency spends those proceeds.

4. The Tax Increment Fund. The Agency covenants to deposit the Tax Increment Revenues into the Tax Increment Fund, and, so long as the Bond is outstanding, to expend the Tax Increment Revenues from that Area only for the following purposes, in the following order of priority:

- (a) To pay principal, interest or premium on Senior Lien Bonds and to make deposits to a debt service fund, reserve fund or similar fund, or as part of a minimum balance or similar requirement on Senior Lien Bonds;
- (b) To pay the Bond; and;

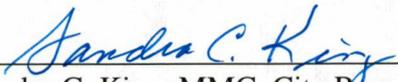
- (c) For any other lawful purpose.
5. **Projects Fund; Use of Proceeds.** The Project Fund shall be held by the Agency. Proceeds of the Bond shall be deposited in the Project Fund, and shall be used only to pay for costs of issuing the Bond, costs of carrying out the Plan, and, if the pledged Tax Increment Revenues are not sufficient, to pay the Bond.
 6. **Superior, Parity and Subordinate Obligations.** As long as the Bond is outstanding and unless the Agency obtains the prior written consent of the owner of the Bond:
 - (a) The Agency covenants not to issue any obligations payable from the Tax Increment Revenues which have a lien or claim on the Tax Increment Revenues which is superior to the lien of the Bond.
 - (b) The Agency covenants not to issue obligations which have a lien on the Tax Increment Revenues which is equal to the lien of the Bond.
 - (c) The Agency may issue subordinate obligations which have a lien on the Tax Increment Revenues which is subordinate to the lien of the Bond, but only if the documents authorizing the subordinate obligations clearly indicate that no Tax Increment Revenues shall be used to pay the subordinate obligations until the Bond has been paid in full.
 7. **Execution of the Bond.** The Bond shall be signed with the manual signature of an Agency Official. The Bond shall be in substantially the form attached hereto as Exhibit A.
 8. **Delegation.** The Agency Official is hereby authorized on behalf of the Agency, and without further action by the Agency:
 - (a) to establish the date of the Bond, its maturity date, redemption dates, interest rate, origination fee and other terms of the Bond within the limits established by this Resolution;
 - (b) to redeem the Bond on or prior to its stated maturity date;
 - (c) to pledge the Tax Increment Revenues, within the limitations established by this Resolution, and the proceeds of the Bond to pay the Bond;
 - (d) award the sale of the Bond to the Bank, and enter into a Bond Purchase Agreement with the Bank establishing the terms under which the Bond is sold; and
 - (e) to take any other action which is desirable in order to issue, sell, and deliver the Bond in accordance with this Resolution.

9. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

ADOPTED by the Urban Renewal Agency of the City of Wilsonville at a regular meeting thereof this 18th day of March, 2013 and filed with Wilsonville City Recorder this same date.


Tim Knapp, Board Chair

ATTEST:


Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

- Board Chair Knapp - Yes
- Board Member Stevens - Yes
- Board Member Starr - Yes
- Board Member Fitzgerald - Excused
- Board Member Goddard - Yes

Exhibit A

No. R-1

\$ _____

United States of America
Urban Renewal Agency of the City of Wilsonville
State of Oregon
West Side Urban Renewal Area
Short Term Subordinate Urban Renewal Bond
Series 2013

The Urban Renewal Agency of the City of Wilsonville, Oregon (the "Agency"), for value received, acknowledges itself indebted and hereby promises to pay, but solely from the Tax Increment Revenues of the West Side Urban Renewal Area and the proceeds of this Bond, to Bank of America, N.A. (the "Owner"), on _____, the principal amount of Two Million Dollars (\$2,000,000) with interest thereon from the date hereof at the rate, as computed on an actual/360 basis, of _____ percent (____%) per annum. Interest is payable at maturity.

This Bond is authorized by Agency Resolution No. _____ which was adopted on March 18, 2013 (the "Resolution"), and was sold and delivered pursuant to a Bond Purchase Agreement dated _____, 2013, between the Agency and the Owner (the "Bond Purchase Agreement").

This Bond is subject to redemption at the option of the Agency on any date, in whole or in part, and is subject to mandatory redemption in whole on any date upon the occurrence, and declaration of an Event of Default (as defined in the Bond Purchase Agreement) by the Owner, at a price of par plus accrued interest.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE AGENCY OR THE CITY OF WILSONVILLE, OREGON, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES OF THE WEST SIDE URBAN RENEWAL AREA AND PROCEEDS OF THIS BOND, AS PROVIDED IN THE RESOLUTION AND THE BOND PURCHASE AGREEMENT.

This Bond is issued by the Agency for the purpose of financing the costs of urban renewal projects within the West Side Urban Renewal Area in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Agency has pledged the Tax Increment Revenues of the Area and the proceeds of this Bond to pay this Bond. The lien of this Bond on the Tax Increment Revenues is subordinate to the lien of the Agency's outstanding Senior Lien Bonds and the requirement to fund reserves for those Senior Lien Bonds, as provided in the Resolution.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the Agency, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

IN WITNESS WHEREOF, the Agency has caused this bond to be executed with the manual signature of its Agency Official as of the date indicated above.

**Urban Renewal Agency of the City of Wilsonville,
Oregon**

Agency Official