

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 244

A RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WILSONVILLE PERTAINING TO SHORT TERM SUBORDINATE URBAN RENEWAL DEBT FOR BOTH THE YEAR 2000 PLAN AND WEST SIDE DISTRICTS.

WHEREAS, the Urban Renewal Agency (the "Agency") of the City of Wilsonville, Oregon finds it desirable to authorize an intergovernmental agreement with the City of Wilsonville which is to provide short term borrowing proceeds in the amount of not more than \$2,500,000 for its Year 2000 Plan district and \$2,000,000 for its West Side district (the "District"); and,

WHEREAS, ORS 190.010 provides legal authority for the two entities to enter into a binding intergovernmental agreement (the "Agreement"); and,

WHEREAS, the use of an Agreement is efficient and less costly than other means of obtaining financing for the Agency; and,

WHEREAS, both the Year 2000 Plan and West Side districts debt service funds have sufficient cash balances to allow for repayment of the amounts borrowed without violation of terms of outstanding senior debt liens; and,

WHEREAS, ORS 294.468 allows a city to loan money from one fund to another fund of the municipal corporation provided the loan is authorized by official resolution and states the terms of the loan.

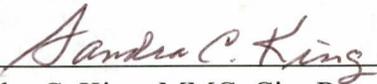
NOW THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE HEREBY RESOLVES AS FOLLOWS:

1. To enter into the Agreement with the City of Wilsonville for the receipt and repayment of up to \$4,500,000 plus interest at the rate of 1.5% per annum on a 365 day basis in accordance with the terms specified in the Agreement. Borrowing will be deposited into the Agency's capital project funds and repayments will be made from the Agency's debt service funds.
2. To authorize the Agency Executive Director, or designee, to negotiate any and all documents to complete the Agreement and transactions related to the borrowing and repayment.
3. Effective Date of this Resolution shall be immediately upon its adoption.

ADOPTED by the Urban Renewal Agency of the City of Wilsonville at a regular meeting thereof this 19th day of May, 2014 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 – Excused

INTERGOVERNMENTAL LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$4,500,000, FROM THE CITY OF WILSONVILLE TO THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE FOR THE PURPOSE OF FUNDING APPROVED PROJECTS IN THE YEAR 2000 PLAN AND WEST SIDE DISTRICTS

THIS INTERGOVERNMENT AGREEMENT (“Agreement”) is entered into between the City of Wilsonville, an Oregon municipal corporation (the City), and the Urban Renewal Agency of the City of Wilsonville, Oregon, an Oregon quasi-municipal corporation (the Agency).

RECITALS

WHEREAS, the City is a municipal corporation duly chartered with home rule authority under the laws and Constitution of the State of Oregon; and

WHEREAS, the Agency is a public body, corporate and politic, duly activated by the City, exercising its powers to engage in urban renewal activity as authorized by ORS Chapter 457; and

WHEREAS, both the City and the Agency are “units of local government” and may enter into intergovernmental agreements with each other for functions and activities such as the construction of road projects and to apportion the responsibility of providing funds for such functions or activities under the authority and provisions of ORS Chapter 190; and

WHEREAS, the Year 2000 Plan district (the “District”) was duly established on May 4, 1992, and the Year 2000 Plan (the “Plan”) was adopted on August 29, 1990, setting out goals, objectives, and projects, including the Canyon Creek Road Extension South Project (the “Projects”) for the Area; and

WHEREAS, the West Side district (the “District”) was duly established on November 3, 2003, and the West Side Plan (the “Plan”) was adopted on November 3, 2003, setting out goals, objectives, and projects, including the Barber Street Extension West Project (the “Projects”) for the Area; and

WHEREAS, the Board of the Urban Renewal Agency has determined that a need exists to borrow funds for the Canyon Creek Road Extension South and Barber Street Extension West public projects, to be repaid with tax increment financing; and

WHEREAS, Oregon Revised Statutes 457 and Oregon Constitution Article IX, Section 1(c), authorizes the Urban Renewal Agency to incur debt for the purpose of financing projects of an urban renewal plan, and to repay the debt and related costs with tax increment revenue; and

WHEREAS, the Agency has obtained approval of a maximum indebtedness for the Year 2000 Plan District of \$92,687,423. The Agency has previously issued \$75,385,000 of long and short term indebtedness that is subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the District to which the maximum indebtedness limitation applies. As a result, the Agency has \$17,302,423 of capacity (before issuance of the borrowing referenced in this Agreement) to incur indebtedness for the District, and

WHEREAS, the Agency has obtained approval of a maximum indebtedness for the West Side District of \$40,000,000. The Agency has previously issued \$32,000,000 of long and short term indebtedness that is subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the District to which the maximum indebtedness limitation applies. As a result, the Agency has \$8,000,000 of capacity (before issuance of the borrowing referenced in this Agreement) to incur indebtedness for the District, and

WHEREAS, the City has sufficient funds in its general fund to provide a short term (overnight) loan of \$4.5 million to the Agency which, together with any current outstanding general obligation bonds, is less than 1% of the current real market value of property within the City of \$2.9 billion and within the City's 3% limitation for such indebtedness.

WHEREAS, the City and Agency have determined that financing the Projects through an intergovernmental agreement, as allowed by ORS 190.010, is more cost efficient than external financing methods; is financially feasible; will provide funding for the Agency to build two permanent, public roads for the respective Plan areas which Projects' right-of-ways and associated easements, in turn, will be transferred to the City; and will serve the public interest.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1: Term and Termination. This Agreement shall become effective upon the date of the last signature hereon, and shall continue in full force and effect until (1) the loan is paid in full by the Agency; (2) the permanent, public road projects, namely, the Canyon Creek Road Extension

South Project and the Barber Road West Project, have been constructed by the Agency; and (3) the respective right-of-ways and any easements associated therewith have been conveyed by the Agency to the City.

Section 2: Delegation. The Designated Representatives, or a person(s) assigned by the Designated Representatives, may, on behalf of the City or Agency, act without further action by the Council, to establish the final principal amounts.

Section 3: Duties of the City. The City shall authorize all actions and execute all documents necessary or desirable to loan up to \$4,500,000 from the City's General Fund to the Agency's capital project funds, as delineated in Section 5, and comply with its Charter and with the laws of the State of Oregon, including the terms and conditions contained within this Agreement. The Agency shall reimburse the City for its expenses incurred in the performance of this Agreement.

Section 4: Duties of the Agency. The Agency shall authorize all actions and execute all documents necessary or desirable to accept the loan; to authorize repayment of the loan under the terms and conditions stated herein; to construct the Canyon Creek Road Extension South Project and the Barber Street Extension West Project and convey the respective right-of-ways of the two projects and any easements associated therewith to the City; and to comply with the laws of the State of Oregon and the applicable Urban Renewal Plans. The Agency shall be responsible for its expenses incurred in the performance of this Agreement and for its activities contemplated herein.

Section 5: Loan Terms. The Loan shall be made from the City's General Fund to the Agency's Year 2000 Plan and West Side Capital Improvement Funds in the principal amount as noted below. The City shall transfer up to \$4,500,000 in aggregate on or before June 25, 2014, as follows:

| | |
|---|--------------------|
| Year 2000 Plan Capital Improvement Fund | \$2,500,000 |
| West Side Capital Improvement Fund | <u>\$2,000,000</u> |
| Total | \$4,500,000 |

Interest on the loan, at a rate of 1.50 percent (1.5%) per annum (365 days), shall begin to accrue on the date of transfer and the corresponding loan plus accrued interest shall be repaid by each District not later than June 26, 2014.

Section 6: Consideration. In consideration of the terms and conditions set forth herein, the City agrees to loan up to \$4,500,000 in exchange for the Agency's obligation to repay the loan solely from the tax increment revenues of the corresponding urban renewal Districts. The lien of this pledge shall be subordinate to the lien of any currently outstanding 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.

Section 7: Indemnification. Subject to the limitations in the Oregon Constitution and the Oregon Tort Claims Act, the parties agree to defend, indemnify, and hold each other, its officers, agents, and employees harmless from all claims, suits, or actions of whatsoever kind, which arise out of or result from the transfer of funds.

Section 8: Modification. This Agreement may not be altered, modified, supplemented, or amended in any manner whatsoever except by mutual agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Section 9: Waiver. No provision of this Agreement may be waived except in writing by the party waiving compliance. No waiver of any provision of this Agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or of any other provision.

Section 10: Severability. The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term and provision held to be invalid.

Section 11: Designated Representative. The City authorizes the City Manager or the City Manager's designee to act on behalf of the City under this Agreement. The Agency authorizes the Executive Director of the Agency or the Executive Director's designee to act on behalf of the Agency under this Agreement.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law:

CITY OF WILSONVILLE

Bryan Cosgrove
City Manager of the City of Wilsonville, Oregon

Date

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, OREGON

Bryan Cosgrove
Executive Director of the Urban Renewal
Agency of the City of Wilsonville, Oregon

Date