

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 255

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 FOR THE PURPOSE OF FUNDING THE CONSTRUCTION OF CAPITAL IMPROVEMENT PROJECTS BY THE AGENCY

WHEREAS, the Urban Renewal Agency of the City of Wilsonville, Oregon (the "Agency") 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 \$2,000,000 for its Year 2000 Plan district for its Canyon Creek Road Extension South Project, Old Town Escape Project, and various park projects within the district, and \$1,000,000 for its West Side district for its Barber Street Extension West Project and park projects within 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 the terms of outstanding senior debt liens;

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 purpose of funding the construction of the public projects recited above and for the receipt and repayment of up to \$3,000,000 plus interest at the rate of 1.5 percent 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. A copy of the Agreement is marked as **Exhibit A**, attached hereto, and incorporated by reference as if fully set forth herein.
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 4th day of May, 2015 and filed with the Wilsonville City Recorder this same date.



Scott Starr, Vice Chair

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Board Chair Knapp – Excused
Board Vice Chair Starr – Yes
Board Member Fitzgerald – Yes
Board Member Stevens – Yes
Board Member Lehan – Yes

Attachment:

A. IGA Loan Agreement

INTERGOVERNMENTAL LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$3,000,000, 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 entered into between the City of Wilsonville, an Oregon municipal corporation (the City), and the Urban Renewal Agency of the City of Wilsonville, Oregon, Oregon quasi-municipal corporation (the Agency),

RECITALS

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, 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 (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 (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 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 City of Wilsonville has approved a maximum indebtedness for the Year 2000 Plan District of \$92,687,423. The Agency has previously issued \$77,385,000 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 \$15,302,423 of capacity (before issuance of the referenced borrowing of this Agreement) to incur indebtedness for the District, and

WHEREAS, the City of Wilsonville has approved a maximum indebtedness for the West Side District of \$40,000,000. The Agency has previously issued \$34,000,000 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 \$6,000,000 of capacity (before issuance of the referenced borrowing of this Agreement) to incur indebtedness for the District, and

WHEREAS, ORS 294.468 authorizes a municipality to lend unrestricted money from its general fund to other funds of the municipal corporation if authorized by resolution of the governing body, and

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, and is in the best interest of both parties.

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 the loan is paid in full.

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 \$3,000,000 from the City's General Fund to the Agency's capital project funds as delineated in Section 5, and comply 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, authorize repayment of the loan under the terms and conditions stated herein, and comply with the laws of the State of Oregon, applicable Urban Renewal Plans. The Agency shall be responsible for its expenses incurred in the performance of this agreement and of 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 \$3,000,000 in aggregate on or before May 18, 2015, as follows:

Year 2000 Plan Capital Improvement Fund	\$2,000,000
West Side Capital Improvement Fund	<u>\$1,000,000</u>
Total	\$3,000,000

Interest on the loan, at a rate of 1.50 percent (1.5%) 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 May 19, 2015.

Section 6: Consideration. In consideration of the terms and conditions set forth herein, the City agrees to loan up to \$3,000,000 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 minim 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 hind, 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 the agreement may be waived except in writing by the party waiving compliance. No waiver of any provision of the 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 the 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