

## RESOLUTION NO. 2741

### A RESOLUTION OF THE CITY OF WILSONVILLE, OREGON AUTHORIZING FINANCING OF THE CAPITAL PROJECT DESCRIBED IN THE COFFEE CREEK URBAN RENEWAL PLAN.

WHEREAS, the City of Wilsonville, Oregon (the “City”) is authorized by Oregon Revised Statutes Section 271.390 to enter into agreements to finance or refinance real or personal property, including capital infrastructure projects, which the City Council determines is needed; and,

WHEREAS, it is desirable to obtain up to \$3,800,000 of financing to finance the Garden Acre Road Project (“Project”) as described in the Coffee Creek Urban Renewal Plan, as it has been and may in the future be amended in accordance with its terms (the “Plan”) and,

WHEREAS, the Urban Renewal Agency of the City of Wilsonville (the “Agency”) is projected to have sufficient tax increment revenues to pay the amounts due from the City in connection with the financing of the Project, and will enter into an Intergovernmental Agreement (the “IGA”) with the City to use tax increment revenues to pay those amounts; and,

WHEREAS, therefore the City anticipates all payments on the City financing will come from the Agency;

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

**Section 1. Determination of Need.** The City Council hereby determines that the Project is needed.

**Section 2. Financing Agreement Authorized.** The City Council hereby authorizes the City to obtain up to \$3,800,000 in principal amount of financing for the Project pursuant to ORS 271.390. Proceeds of the financing may be used to finance the Project and to pay costs related to the financing.

**Section 3. Delegation.** The City Manager or the Finance Director of the City, or a person designated by the City Manager or the Finance Director to act under this Resolution (each of whom is referred to herein as a “City Official”) is hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Negotiate, execute and deliver a financing agreement (the “Financing Agreement”) in an aggregate principal amount that does not exceed \$3,800,000 to finance the Project and pay costs related to the financing. Subject to the limitations of this Resolution, the Financing Agreement may be in such form and contain such terms as the City Official may approve.
- (2) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing.

- (3) Negotiate, execute and deliver a note to evidence the amount due under the Financing Agreement.
- (4) Select a commercial bank or investor with which to negotiate, execute and deliver the Financing Agreement.
- (5) Covenant for the benefit of the owner of the Financing Agreement to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes.
- (6) Designate the Financing Agreement as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable.
- (7) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this Resolution.
- (8) Enter into the IGA to make financing payments with the Urban Renewal Agency of the City of Wilsonville, Oregon, in substantially the form attached to the Resolution as Exhibit A.

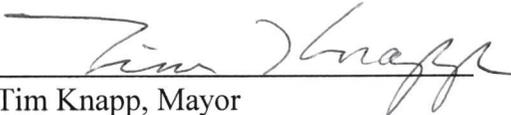
**Section 4. Payments from Tax Increment Revenues.** The City Official is authorized to enter into an intergovernmental agreement with the Agency, under which the Agency agrees to provide tax increment revenues in sufficient amounts to pay all amounts due from the City under the Financing Agreement. The intergovernmental agreement shall be in substantially the form attached to this resolution as Exhibit A, but with any changes the City Official may approve.

**Section 5. Security.** Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement. In addition, the City Official may pledge unspent proceeds of the financing to pay the amounts due from the City under the Financing Agreement.

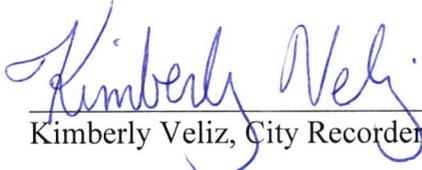
**Section 6. Reimbursement Declaration.** The City hereby declares its official intent to reimburse its or the Agency's expenditures on the Project with the proceeds of the financing pursuant to United States Treasury Regulation 1.150-2.

**Section 7. Effective Date.** This Resolution takes effect upon adoption by the City Council.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 18<sup>th</sup> day of March, 2019 and filed with Wilsonville City Recorder this same date.

  
\_\_\_\_\_  
Tim Knapp, Mayor

ATTEST:

  
\_\_\_\_\_  
Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor West	Yes

Exhibit:

- A. Intergovernmental Agreement Intergovernmental Agreement Between the Urban Renewal Agency and the City.

Exhibit A – Form of Intergovernmental Agreement

Form of

Intergovernmental Agreement  
To Make Financing Payments

By and between the

Urban Renewal Agency of the City of Wilsonville, Oregon

And the

City of Wilsonville, Oregon

Dated as of March 18, 2019

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**Intergovernmental Agreement  
To Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of March 18, 2019, and is entered into by and between the Urban Renewal Agency of the City of Wilsonville, Oregon (the “Agency”) and the City of Wilsonville, Oregon (the “City”). The parties hereby agree as follows:

**Section 1. Definitions and Recitals.**

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement that are defined in this Section 1(1) shall have the following meanings:

“Area” means the Coffee Creek Urban Renewal Area described in the Plan.

“Financing Agreement” means the Financing Agreement (Coffee Creek Urban Renewal Projects) between the City and Columbia State Bank in the principal amount of (\$3,800,000) to finance the Projects, which is dated as of March 5, 2019.

“Financing Payments” means the principal and interest payments the City is required to make to Columbia State Bank under the Financing Agreement.

“Plan” means the Coffee Creek Urban Renewal Plan approved by City Ordinance No. 796 as that plan has been, and may in the future be, amended pursuant to its terms.

“Project” means the Garden Acres Road Project.

“Tax Increment Revenues” means all revenues that the Agency collects for the Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Project-Related Agreements.

(A) The City has entered into the Financing Agreement to finance costs of the Project and to pay costs of issuance.

(B) The City and the Agency agree that the proceeds of the Financing Agreement to finance the Project should be deposited directly with the Agency and the City’s lender will make that deposit on April 4, 2019.

(C) The Project is properly described as Urban Renewal Project in the Plan.

- (D) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Project.
- (E) The Project will assist the Agency in carrying out its Plan.
- (F) The Agency will only spend the proceeds on the Project.
- (G) Unless the City and Agency receive a written opinion from bond counsel that a sale is permitted, so long as the Financing Agreement is outstanding, the Project will remain owned by the City or Agency.
- (H) This is the Agency's first expenditure against the \$67,000,000 maximum indebtedness limit in the Plan.

### **Section 2. The Financing Payments.**

#### (1) The Financing Payments.

The Agency hereby agrees to pay to the City, not less than one business day prior to the dates on which the City is required to pay the Financing Payments, amounts that are equal to the Financing Payments. The amounts and dates of the Financing Payments are shown in Exhibit A.

#### (2) Security for the Obligation of the Agency to Pay the Financing Payments.

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. The pledge that secures this Intergovernmental Agreement shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to grant a lien on the Tax Increment Revenues on parity.

### **Section 3. Prepayment.**

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

### **Section 4. Estoppel.**

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to

have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency that is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles relating to or affecting the enforcement of creditor's rights or contractual obligations generally.

#### **Section 5. Title.**

Neither the City nor the owner of the Financing Agreement shall have a lien on or security interest in the Project.

#### **Section 6. Miscellaneous.**

(1) Binding Effect.

This Intergovernmental Agreement shall inure to the benefits of and shall be binding upon the Agency and the City and their respective successors and assigns.

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

(4) Execution in Counterparts.

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

(5) Applicable Law.

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Clackamas County, Oregon, or any court in the State of Oregon where jurisdiction and venue are proper.

(6) Rules of Construction.

References to section numbers in documents that do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

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

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Bryan Cosgrove, City Manager

**City of Wilsonville, Oregon**

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Brian Cosgrove, City Manager

**EXHIBIT A**

**Financing Payment Schedule**

Interest at the rate of 3.019%, calculated on a 30/360 day basis, is payable semi-annually on each December 1 and June 1 commencing, December 1, 2019. Principal and interest are payable according to the following schedule:

<b>Date</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
4/4/2019				\$ 3,800,000.00
12/1/2019	\$ 138,403.92	\$ 79,803.17	\$ 58,600.75	\$ 3,741,399.25
6/1/2020	\$ 138,403.92	\$ 59,675.32	\$ 78,728.60	\$ 3,662,670.64
12/1/2020	\$ 138,403.92	\$ 58,419.60	\$ 79,984.32	\$ 3,582,686.32
6/1/2021	\$ 138,403.92	\$ 57,143.85	\$ 81,260.07	\$ 3,501,426.25
12/1/2021	\$ 138,403.92	\$ 55,847.75	\$ 82,556.17	\$ 3,418,870.08
6/1/2022	\$ 138,403.92	\$ 54,530.98	\$ 83,872.94	\$ 3,334,997.13
12/1/2022	\$ 138,403.92	\$ 53,193.20	\$ 85,210.72	\$ 3,249,786.42
6/1/2023	\$ 138,403.92	\$ 51,834.09	\$ 86,569.83	\$ 3,163,216.59
12/1/2023	\$ 138,403.92	\$ 50,453.30	\$ 87,950.62	\$ 3,075,265.98
6/1/2024	\$ 138,403.92	\$ 49,050.49	\$ 89,353.43	\$ 2,985,912.55
12/1/2024	\$ 138,403.92	\$ 47,625.31	\$ 90,778.61	\$ 2,895,133.93
6/1/2025	\$ 138,403.92	\$ 46,177.39	\$ 92,226.53	\$ 2,802,907.40
12/1/2025	\$ 138,403.92	\$ 44,706.37	\$ 93,697.55	\$ 2,709,209.85
6/1/2026	\$ 138,403.92	\$ 43,211.90	\$ 95,192.02	\$ 2,614,017.83
12/1/2026	\$ 138,403.92	\$ 41,693.58	\$ 96,710.34	\$ 2,517,307.50
6/1/2027	\$ 138,403.92	\$ 40,151.05	\$ 98,252.87	\$ 2,419,054.63
12/1/2027	\$ 138,403.92	\$ 38,583.92	\$ 99,820.00	\$ 2,319,234.63
6/1/2028	\$ 138,403.92	\$ 36,991.79	\$ 101,412.13	\$ 2,217,822.50
12/1/2028	\$ 138,403.92	\$ 35,374.27	\$ 103,029.65	\$ 2,114,792.85
6/1/2029	\$ 2,148,523.80	\$ 33,730.95	\$ 2,114,792.85	\$ 0.00