

RESOLUTION OF THE CITY OF LEBANON'S URBAN RENEWAL AGENCY, LINN COUNTY, OREGON AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF LEBANON, LINN COUNTY, OREGON REGARDING THE TRANSFER OF TAX INCREMENT REVENUES AND PROCEEDS TO THE CITY FOR THE PURPOSE OF PAYING OBLIGATION FINANCING OF THE CITY) RESOLUTION NO. 2013-28))))))))))

WHEREAS, the City of Lebanon Urban Renewal Agency (the "Agency") and the City of Lebanon, Linn County, Oregon (the "City") have undertaken or are currently planning projects set forth in the Northwest Lebanon Urban Renewal Plan, including financing improvements to the City's water system, transportation system, and payments related to land associated with the Lowe's distribution center (the "New Money Project"); and

WHEREAS, the City is also considering (1) refinancing the projects financed or refinanced with the proceeds of the City's Wastewater Revenue Refunding Bonds, Series 2003 (the "Series 2003 Bonds") issued in the original principal amount of \$3,625,000, of which \$1,990,000 is currently outstanding and (2) refinancing the City's Special Water Refunding Obligations, Series 2004 (the "Series 2004 Obligations") issued in the original principal amount of \$2,910,000, of which \$1,910,000 is currently (the "Refunding Projects" collectively with the New Money Project, the "Project"); and

WHEREAS, the City is planning to enter into a tax-exempt financing agreement and escrow agreement providing for the issuance of Full Faith and Credit and Refunding Obligations, Series 2013 (the "2013 Obligations") in an aggregate principal amount not to exceed \$12,100,000 to finance the New Money Project and an additional amount not greater than the amount necessary to refund all or a portion of the Refunding Projects, and pay costs of issuance of the 2013 Obligations; and

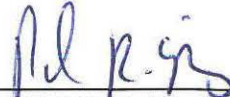
WHEREAS, the Agency and the City wish to enter into an intergovernmental agreement whereby the Agency shall transfer to the City Tax Increment Revenues and proceeds of the Agency in amounts and at times that are sufficient to allow the City to pay all or a portion of the amounts due under the 2013 Obligations that relate to the Project.

IT IS HEREBY RESOLVED by the City of Lebanon Urban Renewal Agency, as follows:

The City of Lebanon Urban Renewal Agency authorizes an intergovernmental agreement between the City and Agency, in substantially the form attached hereto as Exhibit A (the "IGA") with such changes as may be approved by the City Administrator, the Finance Director or any designee of the Agency (the "Authorized Representative") and authorizes and directs Authorized Representative to sign the IGA on behalf of the Agency and take any other actions which the Authorized Representative determines are necessary or desirable to carry out the intent of this Resolution and the IGA.

Passed by the Lebanon Urban Renewal Agency by a vote of 6 for and 0
against and approved by the Mayor on the 12th day of June, 2013.

CITY OF LEBANON, OREGON



Paul R. Aziz, Mayor
Bob Elliott, Council President

ATTEST:



Linda Kaser, City Clerk

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT

This 2013 Intergovernmental Agreement is executed this 12th day of June, 2013, by and between the CITY OF LEBANON, OREGON, a municipal corporation of the State of Oregon (the “City”) and the LEBANON URBAN RENEWAL AGENCY, OREGON, a public body created and activated under ORS Chapter 457 (the “Agency”).

I. DEFINITIONS

For purposes of this 2013 Intergovernmental Agreement, unless the context clearly requires otherwise, capitalized terms that are not listed in this section but which are defined in the Master Resolution shall have the meanings defined for those terms in the Master Resolution, and the following capitalized terms shall have the following meanings:

“**2007 Intergovernmental Agreement**” means the intergovernmental agreement between the City and the Agency relating to the Special Public Works Fund Loan.

“**2010 Urban Renewal Refunding Bonds**” means the Agency’s Urban Renewal Refunding Bonds (Northwest Lebanon Urban Renewal Area), Series 2010, issued in the original principal amount of \$3,310,000.

“**2013 Intergovernmental Agreement**” means this intergovernmental agreement between the City and the Agency dated as of _____, 2013, relating to the 2013 Obligations.

“**2013 Obligations**” means the City’s Full Faith and Credit and Refunding Obligations, Series 2013 in the aggregate principal amount not to exceed \$12,100,000 to finance the New Money Project and an additional amount not greater than the amount necessary to refund all or a portion of the outstanding Series 2003 Bonds and the Series 2004 Obligations, and pay costs of issuance of the 2013 Obligations.

“**Agency**” means the Lebanon Urban Renewal Agency, Linn County, Oregon.

“**Agency Resolution**” means the Agency Resolution No. 2013-22 adopted June 12, 2013.

“**Area**” means the Northwest Lebanon Urban Renewal Area which is described in the Plan.

“**Authorized Representative of the Agency**” means, each individually, the City Administrator, the Finance Director or any designee of the Agency.

“**Authorized Representative of the City**” means, each individually, the City Administrator, the Finance Director or any designee of the City Council.

“**City**” means the City of Lebanon, Linn County, Oregon.

“**City Resolution**” means City Amended and Restated Resolution No. 2013-17 adopted June 12, 2013.

“**Master Resolution**” means Resolution No. 71 for 2000 of the Agency in the matter of providing for the issuance of urban renewal bonds and other obligations from the Tax Increment Revenues of the Northwest Lebanon Urban Renewal Area adopted by the Agency on July 26, 2000, as amended by Supplemental Resolution No. 34 for 2010 adopted by the Agency on September 8, 2010.

“**New Money Project**” means financing or refinancing improvements to the City’s water system, transportation system, and payments related to land associated with the Lowe’s distribution center.

“**ORS**” means Oregon Revised Statutes.

“**Plan**” means the Northwest Lebanon Urban Renewal Plan of the Agency, as amended.

“**Project**” means the New Money Project and the Refunding Project.

“**Refunding Project**” means refinancing the projects financed or refinanced with the proceeds of the City’s Wastewater Revenue Refunding Bonds, Series 2003 (the “**Series 2003 Bonds**”) issued in the original principal amount of \$3,625,000, of which \$1,990,000 is currently outstanding and the City’s Special Water Refunding Obligations, Series 2004 (the “**Series 2004 Obligations**”) issued in the original principal amount of \$2,910,000, of which \$1,910,000 is currently outstanding.

“**Special Public Works Fund Loan**” means the Special Public Works Fund Loan #B05003 by and between the City (pursuant to the 2007 Intergovernmental Agreement) and the State of Oregon Economic and Community Development Department dated April 11, 2007 in the original principal amount of \$3,677,462.

“**Tax Increment Revenues**” shall have the meaning assigned to such term in the Master Resolution.

II. RECITALS

- A. Pursuant to ORS 190.010, units of local government are authorized to enter into intergovernmental agreements with other units of local governments for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have the authority to perform.
- B. Each of the parties to this agreement is a “unit of local government” as defined in ORS Section 190.003. Each of the parties has the legal authority for the performance of any and all functions and activities set forth herein.
- C. The Agency, as the duly authorized and acting urban renewal agency of the City of Lebanon, Oregon is charged to undertake certain redevelopment activities in the redevelopment area pursuant to ORS Chapter 457 and the Plan.

- D. Pursuant to ORS 457.190, the Agency is authorized to borrow money and accept advances, loans, grants and any other form of financial assistance from a public body for the purposes of undertaking and carrying out urban renewal projects.
- E. Pursuant to ORS 457.320 the City is authorized to exercise any of its powers to assist in the planning or the carrying out of an urban renewal plan.
- F. Pursuant to ORS 271.390 the City has the power to enter into financing agreements and authorize the issuance of full faith and credit obligations on its behalf to finance and refinance real and personal property.
- G. The City expects to enter into a financing agreement and escrow agreement, providing for the issuance of the 2013 Obligations to finance and refinance certain real and personal property set forth in the Plan, including the Project.
- H. The City and the Agency wish to enter into the 2013 Intergovernmental Agreement in connection with the 2013 Obligations.

III. AGREEMENT

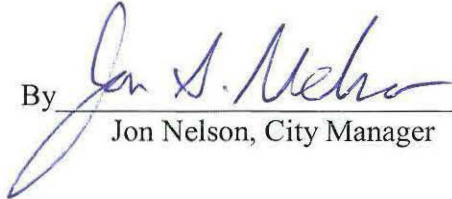
NOW, THEREFORE, pursuant to the provisions of ORS Chapters 457 and 190, and in consideration of the benefits to accrue to the City, the Agency, the community and the citizens from this 2013 Intergovernmental Agreement and the 2013 Obligations, and in consideration of the covenants set forth therein, the City and Agency agree:

1. The Agency shall transfer Tax Increment Revenues to the City in amounts and at times sufficient for the City to pay the debt service on that portion of the 2013 Obligations attributable to projects listed in an Urban Renewal Plan of the Agency at the time those projects were originally financed.
2. The Agency hereby irrevocably pledges the Tax Increment Revenues to make the transfers described in paragraph 1. above. The obligation of the Agency to make the transfers described in paragraph 1. above, shall constitute Subordinate Obligations under the Master Resolution. The lien on and pledge of the Tax Increment Revenues to the City to pay such portion of the debt service described in paragraph 1. above shall be subordinate to the lien and pledge that secures the 2010 Urban Renewal Refunding Bonds and the Special Public Works Fund Loan and all Additional Bonds issued under the Master Resolution. The provisions of this 2013 Intergovernmental Agreement and the Agency Resolution shall be a contract with the City.
3. The City agrees to take all steps required to qualify and maintain the 2013 Obligations as tax-exempt obligations.
4. The Agency agrees to take all steps required to qualify and maintain the 2013 Obligations as tax-exempt obligations.

5. The Agency certifies that no Default under the Master Resolution has occurred and is continuing.
6. The Agency may incur Additional Bonds secured by a lien on the Tax Increment Revenues superior to the lien of this 2013 Intergovernmental Agreement as provided in the Master Resolution and the Agency may incur Subordinate Obligations secured by a lien on the Tax Increment Revenues on parity to the lien of this 2013 Intergovernmental Agreement as provided in the Master Resolution.
7. The City and Agency have each taken the actions necessary to authorize this 2013 Intergovernmental Agreement and no challenge or appeal to such actions is pending.
8. The Authorized Representative of the City and the Authorized Representative of the Agency are authorized to execute this 2013 Intergovernmental Agreement on behalf of the respective bodies.
9. This 2013 Intergovernmental Agreement may be modified upon written mutual agreement of the City and the Agency.
10. This 2013 Intergovernmental Agreement shall be effective as of the date first listed above and shall terminate upon defeasance of the 2013 Obligations.
11. This 2013 Intergovernmental Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

[Signatures appear on following page.]

**CITY OF LEBANON
LINN COUNTY, OREGON**

By  _____
Jon Nelson, City Manager

**CITY OF LEBANON URBAN RENEWAL AGENCY
LINN COUNTY, OREGON**

By  _____
Paul R. Aziz, Mayor

APPROVED AS TO FORM

By  _____
John E. Kennedy, City Attorney