



RESOLUTION 2003-040

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD RELATING TO A NEW CITY HALL AND LIBRARY

WHEREAS the Urban Renewal Agency of the City of Sherwood (the "Agency") is authorized by ORS Chapter 457 to incur indebtedness to carry out its urban renewal plan, and by ORS Chapter 190 to enter into intergovernmental agreements; and

WHEREAS the Agency's urban renewal plan lists a new city hall and library as urban renewal projects; and

WHEREAS the Agency needs to have funds at this time in order to proceed on schedule with the proposed project; and

WHEREAS the Agency's income over the next few years, the tax increment revenues, will fund this project; and

WHEREAS the City of Sherwood can borrow the funds and loan them to the Urban Renewal Agency so the Agency can proceed on schedule with the new city hall and library urban renewal projects; and

WHEREAS the Agency is willing to pay the tax increment revenues to the City in amounts the City requires to pay its loan payments.

NOW THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

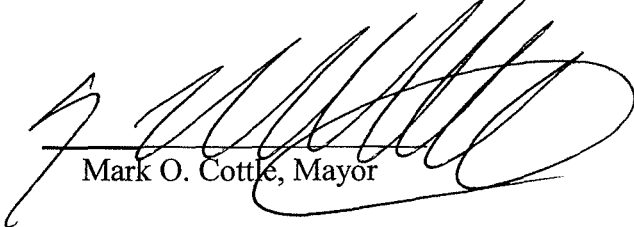
Section 1. Intergovernmental Agreement Authorized.

The City is hereby authorized to enter into an intergovernmental agreement that accepts payments from the Agency to the City for debt service on a loan for a portion of the costs of a new city hall and library. The principal amount the Agency is obligated to pay shall not exceed \$2,500,000. The intergovernmental agreement shall be in substantially the form attached to this Resolution as Exhibit A, but with such changes as the City Manager or the City Finance Director may approve.

Section 2. Security.

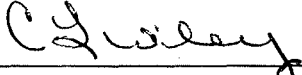
The intergovernmental agreement shall constitute an indebtedness of the Agency, and shall be secured by a pledge of the Agency's tax increment revenues as provided in the intergovernmental agreement.

Dated this 13th day of May, 2003.



Mark O. Cottle, Mayor

Attest:



C.L. Wiley, City Recorder

EXHIBIT A

FORM OF
INTERGOVERNMENTAL AGREEMENT
TO MAKE LOAN PAYMENTS

by and between the

Urban Renewal Agency of the City of Sherwood, Oregon

and
the

City of Sherwood, Oregon

Dated as of ____, 2003

Table of Contents

Page

1.	DEFINITIONS AND RECITALS.....	1
1.1	DEFINITIONS.....	1
1.2	RECITALS.....	1
2.	THE LOAN PAYMENTS.....	2
2.1	THE LOAN PAYMENTS.....	2
2.2	SECURITY FOR THE OBLIGATION OF THE AGENCY TO PAY THE LOAN PAYMENTS.....	2
3.	MISCELLANEOUS.....	2
3.1	BINDING EFFECT.....	2
3.2	SEVERABILITY.....	2
3.3	AMENDMENTS.....	2
3.4	EXECUTION IN COUNTERPARTS.....	2
3.5	APPLICABLE LAW.....	2
3.6	RULES OF CONSTRUCTION.....	3
3.7	HEADINGS.....	3

INTERGOVERNMENTAL AGREEMENT TO MAKE LOAN PAYMENTS

This Intergovernmental Agreement to Make Loan Payments is dated as of _____, 2003, and is entered into by and between the Urban Renewal Agency of the City of Sherwood, Oregon, (the "Agency") and the City of Sherwood Oregon (the "City"). The parties hereby agree as follows:

1. Definitions and Recitals.

1.1 Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Loan Agreement which are defined in this Section 1.1 shall have the following meanings:

"Bank" means Bank of America, National Association.

"Loan Agreement" means the Loan Agreement between the City and the Bank in the principal amount of \$ _____ which is dated as of _____, 2003, and relates to the Project.

"Loan Payments" means the principal and interest payments the City is required to make to the Bank under the Loan Agreement.

"Project" means the portion of the costs of the new city hall and library that are financed under the Loan Agreement.

"Tax Increment Revenues" means all revenues which the Agency collects under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

1.2 Recitals.

- A. The City has entered into the Loan Agreement to finance a portion of the costs of a new city hall and library.
- B. The new city hall and library are properly described as projects in the Agency's urban renewal plan.
- C. The Agency is authorized to spend tax increment revenues to pay for the costs of the new city hall and library.
- D. The construction of the new city hall and library will assist the Agency in carrying out its urban renewal plan.

2. The Loan Payments.

2.1 The Loan Payments.

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

2.2 Security for the Obligation of the Agency to Pay the Loan Payments.

The Agency hereby pledges its tax increment revenues to pay the amounts described in Section 2.1 of this Intergovernmental Agreement, and this Intergovernmental Agreement shall constitute an indebtedness of the Agency. The pledge of the tax increment revenues 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.

3. Miscellaneous

3.1 Binding Effect.

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

3.2 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.

3.3 Amendments.

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

3.4 Execution in Counterparts.

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

3.5 Applicable Law.

This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Loan Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

3.6 Rules of Construction.

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

3.7 Headings.

The headings, titles and table of contents in this Loan Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Loan Agreement. All references herein to "Sections," and other subdivisions which do not specify the document in which the subdivision is located shall be construed as references to this Loan 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 Sherwood,
Oregon**

Authorized Officer

City of Sherwood, Oregon

Authorized Officer

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Table of Contents

Page

1.	DEFINITIONS AND RECITALS.....	1
1.1	DEFINITIONS.....	1
1.2	RECITALS.....	1
2.	THE LOAN PAYMENTS.....	2
2.1	THE LOAN PAYMENTS.....	2
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3.2	SEVERABILITY.....	2
3.3	AMENDMENTS.....	2
3.4	EXECUTION IN COUNTERPARTS.....	2
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