



Resolution 2005-031

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD RELATING TO FINANCING THE OLD TOWN STREETS URBAN RENEWAL PROJECT

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 Old Town streets (the "Project") as an urban renewal project; and,

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

WHEREAS, the City of Sherwood can borrow the funds and loan them to the Agency so the Agency can proceed on schedule with the Old Town streets urban renewal project; and,

WHEREAS, the Agency's tax increment revenues are estimated to be sufficient to pay the debt service on the City's loan for the Project, and to pay other obligations of the Agency that are payable from the tax increment revenues; 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, and,

WHEREAS, the City of Sherwood has approved a maximum indebtedness for the urban renewal area of \$35,347,600. The Agency has previously issued \$8,630,708 of long and short term indebtedness which are subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the Agency to which the maximum indebtedness limitation applies. As a result the Agency has \$26,716,892 of capacity (excluding refinancings) to incur indebtedness.

NOW, THEREFORE, THE CITY 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 cost of the Project. The principal amount the Agency is obligated to pay shall not exceed \$3,500,000. 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.

Duly passed by the City Council this 17th day of May, 2005.



Keith S. Mays, Mayor

ATTEST:



C.L. Wiley, City Recorder