

URA Resolution 2004-002

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON APPROVING INDEBTEDNESS OF THE AGENCY IN THE FORM OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SHERWOOD RELATING TO ACQUISITION AND DEMOLITION OF A BUILDING IN OLD TOWN

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 the acquisition and demolition of the building at the corner of Railroad and Washington Streets in Sherwood (the "Project") as an urban renewal project; and,

WHEREAS, the City of Sherwood is proposing to borrow \$350,000 to pay for costs of the Project; and,

WHEREAS, the Agency is willing to pay tax increment revenues to the City in amounts the City requires to pay the City's borrowing for the Project;

NOW THEREFORE THE URBAN RENEWAL AGENCY RESOLVES AS FOLLOWS:

Section 1. Intergovernmental Agreement Authorized.

The Agency is hereby authorized to enter into an intergovernmental agreement that obligates the Agency to pay to the City debt service on a loan for costs of the Project in a principal amount of \$350,000. 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.

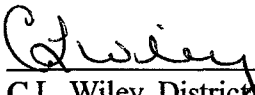
Section 2. Security.

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 Urban Renewal Agency this 13th day of January, 2004.


Mark O. Cottle, Board Chair

Attest:


C.L. Wiley, District Recorder

**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 ____, 2004

Exhibit A (6 pgs)
URA Resolution 2004-002
January 13, 2004

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INTERGOVERNMENTAL AGREEMENT TO MAKE LOAN PAYMENTS

This Intergovernmental Agreement to Make Loan Payments is dated as of ___, 2004, 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 Financing Agreement which are defined in this Section 1.1 shall have the following meanings:

"Bank" means Bank of America, N.A., its successors and its assigns.

"Financing Agreement" means the Financing Agreement between the City and the Bank in the principal amount of \$350,000 which is dated as of ____, 2004, and relates to the Project.

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

"Project" means the acquisition and demolition of the building at the corner of Railroad and Washington Streets in Sherwood.

"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 Financing Agreement to finance costs of the Project.
- B. The Project is properly described as a project in the Agency's urban renewal plan.
- C. The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Project.
- D. The Project 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. That pledge is on a parity with the pledge relating to a loan of \$ ___ from the State of Oregon Economic and Community Development Department (the "State Loan") and with the pledge of the Agency in an intergovernmental agreement between the City and the Agency which is dated ___ and secures a loan of \$ _____ (the "First Intergovernmental Agreement").

3. Tax Covenant

The Agency covenants to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, (the "Code") so that interest on the City's Financing Agreement is excludable from gross income under the Code. All covenants of the Agency relating to the excludability of interest that are contained in the closing documents for this Financing Agreement are hereby incorporated by reference.

4. Miscellaneous

4.1 Binding Effect.

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

4.2 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.

4.3 Amendments.

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

4.4 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.

4.5 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 Washington County, Oregon.

4.6 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 Intergovernmental Agreement.

4.7 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 Sherwood,
Oregon**

City Manager

City of Sherwood, Oregon

Chris Robuck, City Finance Director

EXHIBIT A

LOAN PAYMENT SCHEDULE

The following is the debt service schedule for the City of Sherwood, Financing Agreement with Bank of America, N.A. that is dated ____, 2004 and is in the principal amount of \$350,000. Interest, calculated on a 30/360 day basis, is payable semi-annually on ____ and ____, commencing ____, 2004.

<u>Date</u>	<u>Principal Payment</u>	<u>Interest Rate</u>
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