

**URA Resolution 2005-002**

**A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON APPROVING AN AMENDMENT TO 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 entered into a Financing Agreement (the "Financing Agreement") to borrow \$350,000 to pay for costs of the Project with a tax-exempt loan and the Agency entered into an intergovernmental agreement to pay the debt service on the City's loan; and,

**WHEREAS**, the Agency financed the original acquisition of the property with SDC funds instead of City loan funds, and now wishes to use the City loan funds to pay for costs of demolition of some structures and resale of land that will not be used by the City or the Agency; and,

**WHEREAS**, costs related to resale of property must be financed with taxable borrowings; and,

**WHEREAS**, Article XI, Section 9 of the Oregon Constitution requires the City's loan to be repaid when the Project is sold.

**NOW, THEREFORE, THE URBAN RENEWAL AGENCY BOARD OF DIRECTORS RESOLVES AS FOLLOWS:**

**Section 1. Amended Intergovernmental Agreement Authorized.** The City Manager or the City Finance Director, on behalf of the Agency, are hereby authorized to execute an amendment to the intergovernmental agreement that was executed by the City and the Agency as of January 28, 2004, and an amendment to the City's Financing Agreement. The amended intergovernmental agreement will increase the interest rate that the Agency is obligated to pay to a taxable rate, will permit the loan proceeds to be used to fund demolition and resale of the land, will pledge the sale proceeds of the Project to pay the loan, will require the Financing Agreement to be prepaid when the Project is sold, and will make conforming changes to the Financing Agreement. The amendment to the Financing Agreement will adjust the prepayment dates and prepayment premiums in the Financing Agreement, and will make the changes described in the preceding paragraph. The Amended 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.

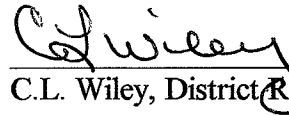
**Section 2. Security.** The amended intergovernmental agreement shall constitute an indebtedness of the Agency, and shall be secured by a pledge of the Agency's tax increment revenues as provided in the intergovernmental agreement, and the sale proceeds of the facilities financed with the Financing Agreement.

**Section 3:** This Resolution shall be effective upon its approval and adoption

**Duly passed by the Urban Renewal Agency Board of Directors this 25th day of January 2005.**

  
\_\_\_\_\_  
Keith S. Mays, Board Chair

ATTEST:

  
\_\_\_\_\_  
C.L. Wiley, District Recorder

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**AMENDED**  
**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 January    , 2005

**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. TAX COVENANT..... 2**

**4. MISCELLANEOUS..... 2**

4.1 BINDING EFFECT..... 2

4.2 SEVERABILITY..... 2

4.3 AMENDMENTS..... 2

4.4 EXECUTION IN COUNTERPARTS..... 3

4.5 APPLICABLE LAW..... 4

4.6 RULES OF CONSTRUCTION..... 4

4.7 HEADINGS..... 4

# INTERGOVERNMENTAL AGREEMENT TO MAKE LOAN PAYMENTS

This Amended Intergovernmental Agreement to Make Loan Payments is dated as of January     , 2005, and amends the Intergovernmental Agreement to Make Loan Payments that is dated as of January 28, 2004, and ~~was 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:

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## 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 January 28, 2004, and relates to the Project, as amended by the Amendment to Financing Agreement between the City and the Bank that is dated as of January     , 2005.

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

"Project" means the costs of demolishing buildings, cleaning up the property known as the Cannery site, and costs of reselling the Cannery site.

Deleted: 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 Agency also pledges the proceeds of the sale of the Project. 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 \$5,845,708 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 May 21, 2003 and secures a loan of \$2,435,000 (the "First Intergovernmental Agreement"). The pledge of the proceeds of the sale of the Project shall be superior to all other pledges or commitments of those proceeds. The Agency agrees to use the proceeds of the sale of the Project to prepay all Loan Payments within thirty days after the Project is sold.

## 3. Miscellaneous

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### 3.1 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.

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### 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.

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### 3.3 Amendments.

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

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### 3.4 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.

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**3.5 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.

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**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 Intergovernmental Agreement.

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**3.7 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 January 28, 2004 and is in the principal amount of \$350,000. Interest, calculated on a 30/360 day basis, is payable semi-annually on June 1 and December 1, commencing June 1, 2004. The interest rate shall change from 3.60% to 5.35% effective as of January 1, 2005, the date of this Amended Intergovernmental Agreement to Make Loan Payments.

<u>Date</u> (December 1)	<u>Principal</u> <u>Payment (\$)</u>	<u>Interest Rate (%)</u>
2004	35,000	3.60
2005	35,000	3.60/5.35
2006	35,000	<del>5.35</del> ----- Deleted: 3.60
2007	35,000	<del>5.35</del> ----- Deleted: 3.60
2008	35,000	<del>5.35</del> ----- Deleted: 3.60
2009	35,000	<del>5.35</del> ----- Deleted: 3.60
2010	35,000	<del>5.35</del> ----- Deleted: 3.60
2011	35,000	<del>5.35</del> ----- Deleted: 3.60
2012	35,000	<del>5.35</del> ----- Deleted: 3.60
2013	35,000	<del>5.35</del> ----- Deleted: 3.60