



Home of the Tualatin River National Wildlife Refuge

URA RESOLUTION 2012-017

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON APPROVING REFINANCING OF PREVIOUSLY APPROVED INDEBTEDNESS TO OBTAIN DEBT SERVICE SAVINGS

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, by ORS Chapter 190 to enter into intergovernmental agreements, and by ORS Chapter 287A to refund outstanding borrowings; and,

WHEREAS, the City of Sherwood obtained loans in 2003 and 2006 (the "City Loans") to finance projects in the Sherwood Urban Renewal Area Plan; and,

WHEREAS, the City loans are paid from tax increment revenues of the Sherwood Urban Renewal Area under intergovernmental agreements between the Agency and the City; and,

WHEREAS, the City may be able to refinance the City Loans to reduce debt service costs; now, therefore, it is hereby

NOW THEREFORE THE URBAN RENEWAL AGENCY BOARD OF DIRECTORS RESOLVED AS FOLLOWS;

Section 1. Intergovernmental Agreement Authorized.

The Agency is hereby authorized to enter one or more intergovernmental agreements that obligate the Agency to pay to the City debt service on City refinancings of the City Loans. The Intergovernmental Agreement shall be in substantially the form attached to this Resolution as Exhibit A, but with such changes as the Urban Renewal Agency Administrator or the City Finance Director may approve.

Section 2. Security.

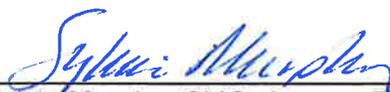
The Intergovernmental Agreement shall constitute an indebtedness of the Agency, and shall be secured by a pledge of the Agency's tax increment revenues as provided in the Intergovernmental Agreement.

Section 3. Effective Date. This resolution is effective immediately upon its passage.

DATED this 7th day of August 2012.


Keith S. Mays, Agency Chair

Attest:


Sylvia Murphy, CMC, Agency Recorder

**Exhibit A to URA Resolution 2012-017
Form of Intergovernmental Agreement**

**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 ____, 2012

**Intergovernmental Agreement
to Make Loan Payments**

This Intergovernmental Agreement to Make Loan Payments is dated as of ____, 2012, 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:

Section 1. Definitions and Recitals.

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement which are defined in this Section 1(1) shall have the following meanings:

“Loan Agreement” means the Loan Agreement between the City and [name of entity] in the principal amount of \$[principal] related to the Project, which is dated as of ____, 2012.

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

“Parity Obligations” means [to be described when IGA is signed].

“Project” means collectively, [insert description when IGA is signed].

“Senior Lien Obligations” means [to be described when IGA is signed].

“Tax Increment Revenues” means all revenues which the Agency collects for the Sherwood Urban Renewal Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Findings.

(A) The City has entered into the Loan Agreement to refinance costs of the Project.

(B) The Project is properly described as an urban renewal 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.

Section 2. The Loan Payments.

(1) The Loan Payments.

The Agency hereby agrees to pay to the City, not less than one business day prior to the dates on which the City is required to pay the Loan Payments, amounts that are equal to the Loan

Exhibit A to Resolution –
Form of Intergovernmental Agreement

Payments in a maximum principal amount of \$[principal]. The amounts and dates of the Loan Payments are shown in Exhibit A.

(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 subordinate to the pledge relating to the Senior Lien Obligations, and on parity with the pledge of the Agency related to the Parity Obligations.

Section 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 Loan 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 the Loan Agreement are hereby incorporated by reference.

Section 4. Miscellaneous

(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.

(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) Amendments.

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

(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.

(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.

(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.

(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.

**For the Urban Renewal Agency of the City of
Sherwood Oregon**

Authorized Official

For the City of Sherwood Oregon

City Official

EXHIBIT A

LOAN PAYMENT SCHEDULE

Interest, calculated on a 30/360 day basis, is payable semi-annually on _____ and _____, commencing _____, 2012.

<u>Date</u> (_____)	<u>Principal</u> <u>Payment (\$)</u>	<u>Interest Rate (%)</u>
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