

**URBAN RENEWAL AGENCY BOARD OF DIRECTORS REGULAR
MEETING AGENDA**

CITY OF SHERWOOD POLICE FACILITY
20495 SW BORCHERS ROAD
TUESDAY, JANUARY 13, 2004
FOLLOWING THE REGULAR CITY COUNCIL MTG

- 1. Call to Order**
- 2. Roll Call**
- 3. Consent Agenda**
 - A. Approve December 9, 2003 Meeting Minutes
 - B. Approve URA Resolution 2004-001, Amending the IGA Agreement with the City of Sherwood Relating to Loan Payments to the Oregon Economic and Community Development Department (Finance Director Chris Robuck)
 - C. Approve URA Resolution 2004-002, Approving Indebtedness of the Agency with the City of Sherwood to Purchase and Demolish the Building at the Corner of Railroad and Washington Streets (Finance Director Chris Robuck)
- 4. Other Business**
- 5. Adjourn**

**URBAN RENEWAL AGENCY BOARD OF DIRECTORS
REGULAR MEETING MINUTES**

**CITY OF SHERWOOD POLICE FACILITY
20495 SW BORCHERS ROAD
SHERWOOD, OR 97140**

TUESDAY, DECEMBER 9, 2003

- 1. Call to Order:** The meeting was called to order at 8:25 p.m.
- 2. Roll Call:** Chair Cottle; Co-chair Mays; Mr. Durrell; Mr. Heironimus; Mr. Fox; Mr. Grant; and Mr. Weislogel.
- 3. Consent Agenda**
 - A.** Approve November 11, 2003 Meeting Minutes (Deputy City Recorder Donna Martin)
 - B.** Approve URA Resolution 2003-019, Ratifying City of Sherwood Resolution 2003-095, Adopting the Downtown Sherwood Streetscape Master Plan and Approving the Initiation of Phases 1 and 2 (City Engineer Terry Keyes)

UNANIMOUSLY APPROVED BY ALL MEMBERS PRESENT.

- 4. Other Business:** There was no other business to be discussed at this time.
- 5. Adjourn:** Chair Cottle adjourned the meeting at 8:26 p.m.

Council/Board Meeting Date: 1-13-03

Agenda Item: New Business

TO: Sherwood City Council & Urban Renewal Board of Directors

FROM: Chris Robuck, Finance Director

SUBJECT: **CITY RESOLUTION 2004-001 AND URA RESOLUTION 2004-001**

ISSUE: Should the Intergovernmental Agreement for the URA to make payments to the City for debt service on the OECDD loan be amended?

BACKGROUND: The governing bodies have approved:

- a loan with the Oregon Economic and Community Development Department (OECDD) for the civic building and Old Town streets (City Resolution 2003-080), and
- an IGA for the URA to repay the City for debt service on the loan (City Resolution 2003-089 and URA Resolution 2003-015).

Given last week's bond sale, OECDD has requested the following changes to the IGA, highlighted on Exhibit A to the Resolutions:

- changes in dates. Dates had been estimated in the original IGA, since the date of the bond sale was not known at that time.
- change "Bank" to "Department" and "Loan Agreement" to "Agreement" in certain sections. The IGA for debt payments on the 2003 Bank of America civic building loan was used as a template for this IGA, and necessary changes in terminology were overlooked in several places.
- change the payment schedule. The interest rate was not specified in the original IGA.

FINDINGS: The proposed interest rate is 4.2% over the 20-year loan. By comparison, the rate for the first 10 years is 3.3%; the recent Bank of America refinancing was 3.55%.

RECOMMENDATION: MOTION TO APPROVE CITY RESOLUTION 2004-001 AND URA RESOLUTION 2004-001.

URA RESOLUTION 2004-001

**A RESOLUTION AMENDING THE INTERGOVERNMENTAL
AGREEMENT WITH THE CITY OF SHERWOOD RELATING TO
LOAN PAYMENTS TO THE OECDD**

WHEREAS with Resolution 2003-015 the Urban Renewal Agency of the City of Sherwood entered into an intergovernmental agreement to make payments from the Agency to the City for debt service on a loan for a portion of the costs of the civic building and Old Town street projects; and

WHEREAS the Oregon Economic and Community Development Department (OECDD) has proposed an interest rate and repayment schedule for the loan, and;

WHEREAS the Oregon Economic and Community Development Department (OECDD) has proposed certain changes in terminology and dates, and;

WHEREAS the interest rate, repayment schedule, and other changes are acceptable to the Agency.

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. The District Administrator is hereby authorized to sign the amended Intergovernmental Agreement which is attached as Exhibit A.

Duly passed by the Urban Renewal Agency this 13th day of January 2004.

Mark O. Cottle, Board Chair

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 October 28, 2003

~~Amended as of January 13, 2003~~

1.	DEFINITIONS AND RECITALS.....	1
1.1	DEFINITIONS.....	1
1.2	RECITALS.....	2
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.....	3
3.5	APPLICABLE LAW.....	3
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 October 28, 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:

Definitions and Recitals.

Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Loan Agreement which are defined in this Section 0 shall have the following meanings:

“Department” means the Oregon Economic and Community Development Department.

“Loan Agreement” means the Loan Agreement between the City and the Department in the principal amount of \$5,845,708 which is dated as of ~~December 23, 2003~~, and relates to the Project.

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

“Project” means the portion of the costs of the new city hall and library (the “civic building”) and Old Town streets new civic building and street improvements 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.

Recitals.

The City has entered into the Loan Agreement to finance a portion of the costs of the Project for a new civic building and street improvements.

The Project components are new civic building and street improvements are properly described as projects in the Agency's urban renewal plan.

The Agency is authorized to spend tax increment revenues to pay for the costs of the Project for a civic building and street improvements.

The construction of the Project new civic building and street improvements will assist the Agency in carrying out its urban renewal plan.

The Loan Payments.

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 Department. The amounts and dates of the Loan Payments are shown in Exhibit A.

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.

Miscellaneous

Binding Effect.

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

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.

Amendments.

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

Execution in Counterparts.

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

Applicable Law.

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

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. 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

**EXHIBIT A
LOAN PAYMENT SCHEDULE**

The following is the debt service schedule for the City of Sherwood, Financing Agreement with the Department, dated **December 23, 2003**.

Dated: **12/23/03**

Debt Service

Sherwood

Loan #K04003

Delivered: **12/23/03**

Fiscal Yr	Payment Date	Principal Payment	Common Rate	Interest Payment	Optional Call Date	Periodic Debt Service	Escal Debt Service	Outstanding Debt
2005	2/1/2004	205,386.00	3.000	233,437.86		438,773.86	438,773.86	5,640,322.00
2006	2/1/2005	211,948.00	3.000	222,452.63		433,600.63	433,600.63	5,428,674.00
2007	2/1/2006	22,541.00	3.000	215,809.19		438,350.19	438,350.19	5,206,333.00
2008	2/1/2007	23,568.00	3.000	209,132.96		437,800.96	437,800.96	4,977,665.00
2009	2/1/2008	24,428.00	3.000	202,272.92		437,400.92	437,400.92	4,742,837.00
2010	2/1/2009	24,023.00	3.000	195,228.08		436,251.08	436,251.08	4,501,814.00
2011	2/1/2010	24,253.00	3.300	187,997.39		435,250.39	435,250.39	4,254,561.00
2012	2/1/2011	23,648.00	3.550	179,838.04	Premium	434,486.04	434,486.04	3,995,913.00
2013	2/1/2012	23,197.00	3.625	170,635.04	@102	433,853.04	433,853.04	3,730,716.00
2014	2/1/2013	22,836.00	3.800	161,042.65	@101	433,378.65	433,378.65	3,458,880.00
2015	2/1/2014	22,515.00	3.000	150,522.38	@100	433,137.88	433,137.88	3,170,265.00
2016	2/1/2015	22,250.00	3.000	139,178.28		432,738.28	432,738.28	2,874,705.00
2017	2/1/2016	21,822.00	3.100	127,355.88		432,937.88	432,937.88	2,567,123.00
2018	2/1/2017	21,738.00	3.200	114,745.02		432,483.02	432,483.02	2,247,895.00
2019	2/1/2018	21,037.00	3.300	101,316.02		432,253.02	432,253.02	1,910,348.00
2020	2/1/2019	20,490.00	3.400	86,824.43		432,318.43	432,318.43	1,560,858.00
2021	2/1/2020	19,707.00	3.500	71,445.87		432,552.87	432,552.87	1,193,751.00
2022	2/1/2021	19,302.00	3.560	54,926.66		432,828.06	432,828.06	818,890.00
2023	2/1/2022	19,355.00	3.625	37,640.52		433,495.52	433,495.52	415,994.00
2024	2/1/2023	15,994.00	3.625	19,239.72		433,233.72	433,233.72	100
		5,845,708.00		2,380,711.44		6,726,419.44		

True Interest Cost (NIC)	1,454,133.33	Arbitrage Net Interest Cost (ANIC)	0.00000000
Net Interest Cost (NIC)	1,195,446.8	Accrued Interest	0.00

Prepared by: **VIMB** **MUNIDB**
Prepared on: **12/5/2003** **K04003-2003-A**

Council Meeting Date: 1-13-04

Agenda Item: New Business

TO: Sherwood City Council & URA Board of Directors
FROM: Chris Robuck, Finance Director
SUBJECT: **RESOLUTION 2004-005 AND URA RESOLUTION 2004-002**

ISSUE: Should the City borrow funds, with the URA providing debt service, to acquire and demolish the building at the corner of Railroad and Washington Streets?

BACKGROUND: The derelict building at the corner of Railroad and Washington is for sale. In keeping with the objective of rehabilitating building stock, the URA may purchase the site and demolish the structure.

To retain an adequate cash balance in the URA for existing and planned debt service, staff recommends borrowing to fund the project. As with prior loans for the civic building and Old Town streets, the City's Bond Counsel proposes a City debt with an IGA for the URA to reimburse the debt service. Lenders require a pledge of the full faith and credit of the City, given that the URA is relatively new. There is express statutory authority for the URA to reimburse the City for debt, but not for the City to pay debt service in the event of default by the URA -- hence, a City debt with URA reimbursement, rather than a URA debt with City backup.

FINDINGS: The City obtained good faith financing estimates from three banks, as follows:

<u>Bank</u>	<u>Interest Rate</u>	<u>Fees</u>
Bank of America	3.90%	\$1,450
US Bank	4.25%	did not specify
Key Bank	5.10%	\$2,500

Staff proposed borrowing from the Bank of America. The actual interest rate would be set one week prior to closing. If this resolution is approved, closing should occur the week of January 19.

RECOMMENDATION: MOTION TO APPROVE RESOLUTION 2004-005 and URA RESOLUTION 2004-002

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

Table of Contents

Page

1.	DEFINITIONS AND RECITALS.....	1
1.1	DEFINITIONS.....	1
1.2	RECITALS.....	1
2.	THE LOAN PAYMENTS.....	1
2.1	THE LOAN PAYMENTS.....	1
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 ____, 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>
-------------	------------------------------	----------------------

Council Meeting Date: 1-13-04

Agenda Item: New Business

TO: Sherwood City Council & URA Board of Directors

FROM: Chris Robuck, Finance Director

SUBJECT: **RESOLUTION 2004-005 AND URA RESOLUTION 2004-002**

ISSUE: Should the City borrow funds, with the URA providing debt service, to acquire and demolish the building at the corner of Railroad and Washington Streets?

BACKGROUND: The derelict building at the corner of Railroad and Washington is for sale. In keeping with the objective of rehabilitating building stock, the URA may purchase the site and demolish the structure.

To retain an adequate cash balance in the URA for existing and planned debt service, staff recommends borrowing to fund the project. As with prior loans for the civic building and Old Town streets, the City's Bond Counsel proposes a City debt with an IGA for the URA to reimburse the debt service. Lenders require a pledge of the full faith and credit of the City, given that the URA is relatively new. There is express statutory authority for the URA to reimburse the City for debt, but not for the City to pay debt service in the event of default by the URA -- hence, a City debt with URA reimbursement, rather than a URA debt with City backup.

FINDINGS: The City obtained good faith financing estimates from three banks, as follows:

<u>Bank</u>	<u>Interest Rate</u>	<u>Fees</u>
Bank of America	3.90%	\$1,450
US Bank	4.25%	did not specify
Key Bank	5.10%	\$2,500

Staff proposed borrowing from the Bank of America. The actual interest rate would be set one week prior to closing. If this resolution is approved, closing should occur the week of January 19.

RECOMMENDATION: **MOTION TO APPROVE RESOLUTION 2004-005 and URA RESOLUTION 2004-002**

Approved Minutes

**URBAN RENEWAL AGENCY BOARD OF DIRECTORS
REGULAR MEETING MINUTES**

CITY OF SHERWOOD POLICE FACILITY
20495 SW BORCHERS ROAD
SHERWOOD, OR 97140

TUESDAY, JANUARY 13, 2004

- 1. Call to Order:** Chair Cottle called the meeting to order at 8:39 p.m.
- 2. Roll Call:** Chair Cottle; Co-chair Mays; Mr. Durrell; Mr. Heironimus; Mr. Fox; Mr. Grant; and Mr. Weislogel.
- 3. Consent Agenda**
 - A.** Approve December 9, 2003 Meeting Minutes (Deputy City Recorder Donna Martin)
 - B.** Approve URA Resolution 2004-001, Amending the IGA Agreement with the City of Sherwood relating to loan payments to the Oregon Economic and Community Development Department (Finance Director Chris Robuck)
 - C.** Approve URA Resolution 2004-001, Approving indebtedness of the Agency with the City of Sherwood to purchase and demolish the building at the corner of Railroad and Washington Streets (Finance Director Chris Robuck)

UNANIMOUSLY APPROVED BY ALL MEMBERS PRESENT.

- 4. Other Business:** City Manager Ross Schultz announced a February opening of the Urban Renewal District Manager position.
- 5. Adjourn:** Chair Cottle adjourned the meeting at 8:26 p.m.