

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

**Tuesday, May 17, 2005**  
Following the Regular City Council Meeting

City of Sherwood Police Facility  
20495 SW Borchers Road  
Sherwood, Oregon

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. CONSENT AGENDA**

**A. Approve minutes from the April 5, 2005 URA Board of Directors meeting** (Deputy City Recorder Donna Martin).

**B. Approve minutes from April 20, 2005 Budget Committee meeting** (Finance Director Chris Robuck).

**C. Approve minutes from April 27, 2005 Budget Committee meeting** (Finance Director Chris Robuck)

**4. PUBLIC HEARING**

**A. Approved Budget for FY 2005-2006** (Finance Director Chris Robuck)

**5. NEW BUSINESS**

**A. Resolution 2005-005, approving a minor amendment to the Urban Renewal District Boundary** (URD Manager Jim Patterson).

**B. Resolution 2005-006, a resolution approving indebtedness of the Agency in the form of an intergovernmental agreement with the City of Sherwood relating to Old Town streets** (Finance Director Chris Robuck)

**6. Adjourn**

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

City of Sherwood Police Facility  
20495 SW Borchers Road  
Sherwood, OR 97140

Tuesday, April 5, 2005

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 9:00 p.m.
2. **ROLL CALL:** Chair Mays, Mr. Durrell, Mr. Grant, Ms. Henderson, Mr. King, and Mr. Luman. Mr. Heironimus was absent due to a family illness.
3. **CONSENT AGENDA**
  - A. **Minutes from March 1, 2005 URA Board of Directors meeting** (Deputy City Recorder Donna Martin).
  - B. **URA Resolution 2005-004, approving a Façade Grant to Charlie Harbick for Railroad Street Antique Mall** (URD Manager Jim Patterson)

**MOTION: From Mr. Grant seconded by Ms. Henderson, to adopt the Consent Agenda.  
UNANIMOUSLY APPROVED BY ALL MEMBERS PRESENT**
4. **OTHER BUSINESS:** None.
5. **ADJOURN:** Chair Mays adjourned the meeting at 9:03 p.m.

**BUDGET COMMITTEE**  
**2005-06 MEETING #1**  
**APRIL 20, 2005**  
Sherwood Police Facility

**CITY OF SHERWOOD**

The meeting was called to order by Mayor Mays at 6:05 pm.

Roll call: Councilors present was Keith Mays, Dave Grant, Linda Henderson, Dan King (arrived at 6:45), and Dave Luman. Councilors excused were Dennis Durrell and Dave Heironimus. Citizen members present were Steve Munsterman, Bill Amadon, Mark Bateman, Ron Kachergius, and Jeramy Patton. Mike Schoen was excused; Susan Pringle was absent. Staff present was Ross Schultz, City Manager, and Chris Robuck, Finance Director.

Selection of Chair and Vice Chair: Steve Munsterman was nominated and approved as the Budget Committee Chair. Bill Amadon was nominated and approved as Vice Chair.

Public comment: The public comment period was opened. There being no citizens who wished to speak, public comment was closed.

The City of Sherwood Budget Committee meeting was recessed.

**URA**

The URA Budget Committee meeting was called to order. *Note: The Budget Committee membership, Chair and Vice Chair are the same as for the City.*

Public comment: The public comment period was opened. There being no citizens who wished to speak, public comment was closed.

The URA Budget Committee meeting was adjourned.

**CITY OF SHERWOOD**

The City of Sherwood Budget Committee meeting was reopened.

**Budget message**

Ross Schultz walked through slides (included in the record, titled "Budget Presentation"). Clarifications and discussions follow.

- Personnel Costs per FTE includes benefits and taxes.
- Inclusive Items: The Morback House is listed at \$175,000 as the sales price forgone by leasing the house to the Historical Society. The actual cash purchase was years ago, for a minimal amount.

- The City's credit rating is AA. This is less of an issue than it was a few years ago because all borrowings necessary for current and planned projects have been done or are in process.
- The Building Department is accumulating reserves for any future slowdown; in that event, employees would be paid from those reserves. A cost accounting system is in place to charge the Building Department and capital projects for appropriate time and overhead.
- Growth projections are continually revised upward, to as high as 50,000 over the next 20 years. The staffing reorganization was modeled after larger cities.
- Growth drivers include quality of life and the availability of land due to Metro decisions. Annexations are voter approved.
- PSU changed the methodology for estimated population so that only 6 month's building permits were included in the July 1, 2004 number.

### **All Funds**

Ross walked through selected pages in the proposed budget. Discussion was as follows.

Page 10, Financial Organization Chart: capital expenditures exceed operating expenditures. Capital includes the civic building, Sunset Park, and Old Town streets.

Page 11-12, Budget in Total: "Taxes" includes franchise fees; the difference between 2004-05 budget and projected is partly due to estimations of assessed value. "Sale of fixed assets" includes the Hite House, existing City Hall, and existing library. Professional and technical services decreased due to capital projects. Mr. Bateman asked why 2004-05 projected payroll taxes were higher than budget while salaries were less; Chris will get an answer out to everyone. Chris will provide details of "Other materials and services". Ron noted that for 2005-06, "capital outlay, furniture and equipment" is less than 2004-05, but it should be higher because of the new library; that amount is in "Buildings" and "Improvements other than buildings". "Vehicles" are purchased, not leased.

Page 13-14, Budget by Fund: The Asset Depreciation Fund is discretionary money, designated for items such as building repairs and turf fields. The Storm Fund will require a fee increase this year. Clean Water Services has been reducing the percentage they pay to the cities, and increasing the required work. The street light fee is not included in the proposed budget; it could be implemented for January 1, 2006. General Fund balance is negative because of technical accounting requirements for recording the cannery purchase; page 89-90 shows the fund balance adjusted for the cannery purchase. This will turn around when the land is sold. The purchase was recorded in the General Fund rather than the URA so that any profits on resale go to the General Fund. The only item in the budget which requires separate Council action is adoption of fee changes. Sanitary, Storm and Water have large contingencies, but these include money restricted for capital projects. CWS's plan for funding and conducting the Healthy Streams initiative is uncertain. Councilor Henderson asked about future availability of funding for work on streams; Mayor Mays suggested investigating using rate-paying dollars (charges for services), if the law allows.

Page 18-19, Property Taxes: Assessed value has climbed dramatically, but Ross noted that a "big box" development of \$50,000,000 only adds about \$160,000 to revenue.

Page 19, Franchise fees: a fee was imposed on the City's own utilities in 2004-05 to treat them the same as private utilities. Franchise fees are set by contract. We are at the maximum rate allowed by law for all utilities except electricity (PGE).

The URA gets about \$250,000 a year in property taxes that would otherwise go to the General Fund. The trade-off is that it receives about \$1,000,000 a year from other taxing districts. It is funding about 80% of the new civic building, without going out for a bond issue.

Page 21, Sale of fixed assets: A sales agreement has been signed for the Hite House. The library and old City Hall will be up for sale this summer, with a leaseback for City Hall if needed to accommodate the January 1, 2006 move date. If buildings are sold for less than planned, loans or URA funds could be tapped. If buildings are sold for more, Council could select other projects or it could increase contingency.

Page 23-24, FTEs per 1,000 Citizens: Comparison to other cities is difficult because of difference in their operations. Ross suggested that comparison to ourselves over time is more meaningful.

Page 24, Benefits Costs per FTE: The health insurance cost estimate is reasonably firm. All employees have the same basic two or three plan options. Chris will provide details of the increase in workers compensation rates. The \$400,000 PERS payment is voluntary, to reduce the City's \$2,000,000 share of the PERS unfunded actuarial liability. The exact effect on the rate is not yet known.

The field house operation is about a year behind the original estimates of profitability. The City will take over operations in 2005-06.

Page 25, Materials and services: Chris will provide details of "Support for community groups". Ron thought the "Cost of selling buildings" was high; again, Chris will check. Street sweeping is driven by Clean Water Service requirements.

Page 28, Operations staff for Sunset Park: Craig will work with seasonal staff for this.

### **Administration**

Major projects include the move into the new Civic Building, street, civic building and other capital projects, selling the cannery property, the Hansen software for permitting, Sherwood Broadband, and negotiating two union contracts. Bill Amadon noted that the City chose to change auditors in 2004-05.

The meeting was recessed to April 27 at 8:00 pm.

**BUDGET COMMITTEE**  
**2005-06 MEETING #2**  
**APRIL 27, 2005**  
Sherwood Police Facility

**CITY OF SHERWOOD**

The meeting was called to order by Chair Munsterman at 6:00 pm.

Roll call: Councilors present were Keith Mays (arrived 6:40), Dave Grant, Linda Henderson, Dan King, Dave Luman, Dennis Durrell and Dave Heironimus. Citizen members present were Steve Munsterman, Mike Schoen, Mark Bateman, Ron Kachergius, and Jeramy Patton. Bill Amadon was excused; Susan Pringle was absent. Staff present was Ross Schultz, City Manager, and Chris Robuck, Finance Director. Other city staff joined the discussion as noted below.

**Questions from April 20 meeting**

Ross reviewed the responses to questions from the April 20 meeting. Ron had followed up on the fees to sell commercial real estate and felt that the estimated building sales costs were reasonable.

**Police**

Ross noted that the cost per officer is increasing, but we are less expensive than Washington County. We're at about 1.3 officers per 1,000 citizens. There is just one new car in the budget.

Bill Middleton, Police Chief, gave a handout on PPDS, the new computerized system for records. The department is in the process of CALEA certification, a three-year undertaking. Other expenditures are set to maintain current services.

Intergovernmental revenues were higher in 2004-05 than 2005-06. Chris attributed this to an unexpected payment on a 1999 COPS grant in 2004-05.

Mark asked about future impacts of anti-terrorist efforts noted on page 58. Bill responded that we got a grant to upgrade radio systems, mobile digital terminals in vehicles, and meth task force equipment; expenditures will occur in 2004-05 and 2005-06.

The four grant-funded positions are paid partially by COPS grants for three years; we are in the first year of those grants.

\$126,000 of materials and services is for WACCA, the 911 system.

**Community Services**

The biggest issues are the move to the new civic building and the field house. Ross showed the slide depicting declining support from WCCLS in relation to assessed value.

The Council goal of expanding services in the community services department is not affordable and is not in the budget.

Ann Roseberry, Community Services Director, clarified that WCCLS reimbursement is based 80% on circulation. There is a two-year lag between circulation and materials expenditures and WCCLS reimbursement. For next year, Ross's direction is that any increase in funding will come from the County or a levy, rather than the General Fund. Ann explained that the library has been working on a business plan which includes a foundation as a vehicle for alternative funding. The new building is designed to operate with the same staff, despite the increase from 3,000 to 14,000 square feet. Self checkout machines are planned. Elevator maintenance is in Craig's Operations budget. There is no plan to cut library hours in 2005-06.

The field house is not budgeted to break even in 2005-06. Committee members asked for clarification as to whether the YMCA committed to pay the City a fixed amount or if it was dependent on revenue, and the cash inflow/outflows for the facility.

Linda asked about corporate sponsorship and other contributions to community events. Operations use about one FTE a year on events. Music on the Green is budgeted at a cost of \$18,000, with \$10,000 in sponsorship revenue.

### **Public Works Operations**

There are 1.5 new FTEs for new requirements in Storm, Sanitary and parks. No new equipment is being purchased from the General Fund. Emerging issues are funding for street maintenance, including a street light fee. Ross showed slides of Street operating revenue and uses.

Street sweeping, which is mandated by Clean Water Services, was moved to the Street Fund for 2005-06 because of lack of funds in Storm. The storm water surcharge gets the operating fund balance to zero; another fee increase will be needed in 2006-07 to return street sweeping to the Storm Fund.

Mark asked about setting 2005-06 objectives the same or higher than 2004-05 when they were not accomplished for 2004-05. Craig Sheldon, Operations Manager, elaborated on specific requirements, staff and equipment. Catch basin cleaning was affected by West Nile virus treatments. Slurry seal includes new and old streets.

There are 8 more years of payments on the 2002 Public Works/field house building loan. With Old Town development, the property will increase in value and could be sold. When Engineering moves to the new civic building, part of the Public Works/field house building may be converted to an incubator.

The I-5 bypass costs may be covered with planning assistance from Metro and SDCs.

New contracted streetscapes are Meinecke and the Oregon Street Roundabout. The new maintenance worker is for buildings, Sunset Park, and small equipment repair. Vehicles are maintained through an IGA with Tualatin; large equipment is taken to Portland.

Council is considering the possibility of an operating levy for streets. Some work is being done to repair and slurry seal walking paths and trails.

### **Community Development**

Big issues for 2005-06 include capital project construction, concept planning for the UGB, continued high building permit volume, the move to the new civic building, bringing contracted work in house, and master plans.

Planning staff is all new from a year ago. A long-range planning position has been added. Building added several positions over the last year. Engineering is busy executing approved capital projects.

No fee changes are planned for Building. Building Department reserves should exceed the goal by the end of 2005-06. Rob Dixon, Community Development Director, explained that we are considering bringing electrical inspection in house. Moving Engineering, Building and Planning into the same building and the Hansen software will improve efficiencies. Linda noted that long-range planning will be a challenge given staff turnover. The reorganization helps provide continuity.

### **Fund Budgets**

Planning for a secondary source of water will be a major issue in 2005-06.

### **Changes requested from proposed budget for approved budget**

Chris walked through the slide showing items that have changed since the proposed budget was developed. The Committee was asked to include these items in the approved budget that goes on to Council.

Keith moved to accept the requested changes, Ron seconded, and the motion was approved unanimously.

### **Final items**

Ross displayed the slide of General Fund ending balance.

Staff will get back to Council on funding available for stream work. There was discussion of money restricted for capital projects and how those are defined by Clean Water Services.

Ross concluded that this budget could be financially stronger in that there is a no buffer for unexpected costs, but it is balanced and provides livability. To be financially stronger would require cutting services. The budget does not include the Old School; if it is sold, the proceeds would increase the General Fund balance.



**Budget approval**

It was moved and seconded to approve the 2005-06 City of Sherwood budget, with requested changes; the motion was approved unanimously. The City of Sherwood Budget Committee meeting was adjourned.

**URA**

The City of Sherwood URA Budget Committee meeting was opened. Ross explained that all borrowing and construction is in the City's budget, so the URA is just receiving property taxes and reimbursing the City for debt service. All URA projects have been approved by SURPAC and Council.

Projected assessed values are in line with the Washington County projections released last week. Sale of fixed assets in 2004-05 is the lot at Railroad and Main.

It was moved and seconded to approve the 2005-06 City of Sherwood URA budget; the motion was approved unanimously.

The meeting adjourned at 7:45 pm.

URA Board of Directors Meeting Date: 5-17-05

Agenda Item: New Business

**TO:** URA Board of Directors  
**FROM:** Chris Robuck, Finance Director  
**SUBJECT:** Public hearing on approved budget for FY 2005-06

**BACKGROUND:** In April, the Budget Committee approved the proposed budget with specific changes. Budget law requires that the public be given the opportunity to comment on the approved budget prior to adoption by the Council/Board. Notice of the public hearing has been printed in the Tualatin Times. The Council will consider adopting the budget on June 7.

The proposed budget is available on the City website. The proposed budget with the list of changes made for the approved budget is available at City Hall.

**RECOMMENDATION:** No action is required.

URA Board Meeting: May 17, 2005

Agenda Item: New Business

TO: Sherwood Urban Renewal Agency Board

FROM: Jim Patterson  
Assistant City Manager

SUBJECT: **RESOLUTION 2005-005, MINOR AMENDMENT TO THE URBAN RENEWAL DISTRICT BOUNDARY**

ISSUE: Should the Urban Renewal Agency approve a "Minor Amendment" to the Urban Renewal District Boundary as allowed by the Urban Renewal Plan, to include the high school stadium field?

BACKGROUND: In May of 2004, SURPAC considered a project in conjunction with the School District to install an artificial turf field at the Sherwood high school stadium. The Council found that construction of the new turf field at Sherwood High School is in the interest of the community, implementing the City's Sports Town NW concept. For that reason they initiated the construction process.

As the new turf field is an asset to the City's park inventory, and in order to fund projects through the Urban Renewal District, a minor amendment to the district boundary is requested to include the site of the high school field. Such an amendment is deemed to be "minor" per the Plan as it is less than 1% increase of the physical area of the urban renewal area boundary. A legal description of the proposed boundary amendment is attached as an exhibit to the Resolution.

FINDINGS: As part of the review process stipulated in Section 700.C.4 of the Urban Renewal Plan, staff recommends the URD Board APPROVE this boundary amendment via final resolution.

FINANCIALS: There are no present project costs estimated for this project, it is a minor boundary expansion. Any future projects which would use Urban Renewal District funds would first have to be added to the list of District-funded projects, subject to Section 700.

**RECOMMENDATION: MOTION TO RECOMMEND APPROVAL OF A MINOR AMENDMENT TO THE URBAN RENEWAL DISTRICT BOUNDARY TO INCLUDE THE SHERWOOD HIGH SCHOOL STADIUM FIELD.**



**URA Resolution 2005-005**

**RESOLUTION TO APPROVE A MINOR AMENDMENT TO THE URBAN RENEWAL DISTRICT BOUNDARY**

**WHEREAS**, the City Council approved a project to install turf at the High School field that provided the City's park system needed improvements; and

**WHEREAS**, The School District as property owner has agreed to the amended boundary; and,

**WHEREAS**, The Urban Renewal Agency Board finds that the high school field is an asset to the City's park inventory, and in order to fund improvements through the Urban Renewal District, a minor amendment to the district boundary is requested to include this site; and,

**WHEREAS**, this amendment to the Urban Renewal Plan is deemed "minor" as it is less than 1% increase of the physical area of the urban renewal area boundary;

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

The boundary of the Urban Renewal District of the City of Sherwood shall be amended to increase in size according to the legal description attached as Exhibit A to this Resolution.

**Duly passed by the City Council this 17<sup>th</sup> day of May 2005.**

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

ATTEST:

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

**EXHIBIT A**

April 19, 2005

LEGAL DESCRIPTION  
CITY OF SHERWOOD  
URBAN RENEWAL DISTRICT  
FOOTBALL FIELD BOUNDARY

JOB NO. 615-001

A PARCEL OF LAND CONSISTING OF A PORTION OF SECTION 31, TOWNSHIP 2 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, CITY OF SHERWOOD, WASHINGTON COUNTY, OREGON DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHERE THE EAST LINE OF SECTION 31 INTERSECTS THE SOUTH RIGHT-OF-WAY LINE OF VILLA ROAD; THENCE LEAVING SAID SECTION LINE ALONG SAID RIGHT-OF-WAY LINE WEST 631 FEET; THENCE LEAVING SAID RIGHT-OF-WAY NORTH 67 FEET TO A POINT OPPOSITE THE SOUTH BOUNDARY OF THE SHERWOOD FOOTBALL FIELD; THENCE ALONG SAID BOUNDARY AND ADJACENT LANDS WEST 100 FEET; THENCE NORTH 385 FEET; THENCE EAST 200 FEET; THENCE SOUTH 385 FEET; THENCE WEST 96 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 37 FEET MORE OR LESS TO A POINT ON THE NORTH RIGHT-OF-WAY LINE WEST VILLA ROAD; THENCE EAST ALONG SAID RIGHT-OF-WAY LINE 627 FEET MORE OR LESS TO THE EAST LINE OF SECTION 31; THENCE SOUTH ALONG SAID SECTION LINE SOUTH 50 FEET TO THE POINT OF BEGINNING.

Urban Renewal Agency Meeting Date: 5-17-05

Agenda Item: New Business

**TO:** Urban Renewal Agency Board of Directors

**FROM:** Chris Robuck, Finance Director

**SUBJECT: URA RESOLUTION 2005-006**

**ISSUE:** IGA for the URA to reimburse the City for debt service on the planned \$3,500,000 loan from OECDD for Old Town streets.

**BACKGROUND:** The Oregon Economic and Community Development Department (OECDD) has invited, and the City has submitted, an application for a \$3,500,000 loan to fund the next portion of the Old Town street project. In order to approve the application, OECDD requires that the City be the borrower, pledging its full faith and credit to repayment, and that an intergovernmental agreement be in place whereby the URA agrees to reimburse the City for principle and interest payments on the loan.

After the application is approved by OECDD, a resolution will be brought to Council to approve the actual loan agreement with them.

**RECOMMENDATION: MOTION TO APPROVE URA RESOLUTION 2005-006**

**URA Resolution 2005-006**

**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 OLD TOWN STREETS**

**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 City of Sherwood is proposing to borrow money to pay for a portion of the cost of the 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 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 URBAN RENEWAL AGENCY BOARD OF DIRECTORS 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 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 Urban Renewal Agency Board of Directors this 17<sup>th</sup> day of May, 2005.**

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

ATTEST:

\_\_\_\_\_  
C.L. Wiley, District 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 \_\_\_\_\_, 2005

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# INTERGOVERNMENTAL AGREEMENT TO MAKE LOAN PAYMENTS

This Intergovernmental Agreement to Make Loan Payments is dated as of \_\_\_\_\_, 2005, 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 Loan Agreement which are defined in this Section 1.1 shall have the following meanings:

"Agreement" means the Agreement between the City and the Department in the principal amount of \$3,500,000 which is dated as of \_\_\_\_\_, 2005 and relates to the Project.

"Department" means the Oregon Economic and Community Development Department.

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

"Project" means the portion of the costs of Old Town streets that are financed under the 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.

### 1.2 Recitals.

- A. The City has entered into the Agreement to finance the Project.
- B. The Project componets are properly described as projects 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 construction of 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 Department. 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 \$5,845,708 from the State of Oregon Economic and Community Development Department (the "State Loan"), 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"), and with the pledge of the Agency in an intergovernmental agreement between the City and Agency which is dated January 28, 2004 and amended on February 1, 2005 and secures a loan of \$350,000 (the "Second Intergovernmental Agreement").

Pursuant to Section 3.4(B) of the Financing Agreements related to the First Intergovernmental Agreement and Section 3.4(B) of the Financing Agreement related to the Second Intergovernmental Agreement the Agency has received a written consent from the Bank of America, N.A. to pledge the Tax Increment Revenues on a parity with the pledge that secures the First Intergovernmental Agreement and the pledge that secures the Second 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 Agreement is excludable from gross income under the Code. All covenants of the Agency or City relating to the excludability of interest that are contained in the closing documents for the Agreement are hereby incorporated by reference.

## **4. Miscellaneous**

### **4.1 Binding Effect.**

This Loan 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 Loan 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 Loan Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Loan 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 Loan Agreement.

**4.7 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 \_\_\_\_\_. Interest, at a rate of \_\_\_\_\_, is payable annually on \_\_\_\_\_, commencing \_\_\_\_\_.

<b>Borrower: City of Sherwood</b>			
<b>Oregon Bond Bank Loan</b>			
<b>Loan #</b>			
<b>Loan Amount: \$3,500,000</b>			
<b>Payment Number</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Outstanding Principal Balance</b>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
Maturity date			

# Approved Minutes

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

**Tuesday, May 17, 2005**

**1. CALL TO ORDER:** Chair Keith Mays called the meeting to order at 7:51 p.m.

**2. ROLL CALL:** Chair Mays, Mr. Durrell, Mr. Grant, Mr. Heironimus, Ms. Henderson, Mr. King, and Mr. Luman.

**3. CONSENT AGENDA**

**A. Approve minutes from the April 5, 2005 URA Board of Directors meeting** (Deputy City Recorder Donna Martin).

**B. Approve minutes from April 20, 2005 Budget Committee meeting** (Finance Director Chris Robuck).

**C. Approve minutes from April 27, 2005 Budget Committee meeting** (Finance Director Chris Robuck)

**MOTION: From Mr. Durrell, seconded by Mr. King, to approve the  
Consent Agenda. UNANIMOUSLY APPROVED BY ALL MEMBERS  
PRESENT**

**4. PUBLIC HEARING**

**A. Approved Budget for FY 2005-2006** (Finance Director Chris Robuck)

Commencement of Hearing

Chair Mays opened the hearing at 7:52 p.m.

Staff Report

This is the opportunity for public comment on the budget approved by the Budget Committee for FY 2005-2006.

Public Testimony

No one came forward to present testimony.



Close of Hearing

Chair Mays closed the hearing at 7:53 p.m.

**5. NEW BUSINESS**

**A. Resolution 2005-005, approving a minor amendment to the Urban Renewal District Boundary (URD Manager Jim Patterson).**

**MOTION: From Mr. Heironimus, seconded by Mr. Luman, to approve Resolution 2005-005. UNANIMOUSLY APPROVED BY ALL MEMBERS PRESENT**

**B. Resolution 2005-006, a resolution approving indebtedness of the Agency in the form of an intergovernmental agreement with the City of Sherwood relating to Old Town streets (Finance Director Chris Robuck)**

**MOTION: From Mr. Durrell, seconded by Mr. Luman, to approve Resolution 2005-006. UNANIMOUSLY APPROVED BY ALL MEMBERS PRESENT**

**6. ADJOURN:** There being no further business, Chair Mays the meeting was adjourned at 7:55 p.m.