



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Tuesday, June 15, 2010

**Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon**

**URA Board of Directors Regular Meeting
(Following the City Council Meeting)**

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

Tuesday, June 15, 2010
Following the City Council Meeting

City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon

REGULAR URA MEETING

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA

A. Approval of May 18, 2010 Board Meeting Minutes

4. NEW BUSINESS

A. URA Resolution 2010-003 Approving a Façade Grant for Don Washington, owner of the buildings housing Let's Make Music at 22559 and 22573 SW Pine Street (Tom Nelson, Economic Development Manager)

B. URA Resolution 2010-004 A Resolution of the Urban Renewal Agency of the City of Sherwood, Oregon approving indebtedness of the Agency in the form of one or more Intergovernmental Agreements with the City of Sherwood relating to refunding projects within the Urban Renewal area (Craig Gibbons, Finance Director)

5. STAFF REPORTS

6. ADJOURN

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
May 18, 2010
22560 SW Pine Street, Sherwood Oregon 97140**

WORK SESSION

1. **CALL TO ORDER:** Board member Dave Heironimus called the meeting to order at 6:05pm.
2. **URA BOARD PRESENT:** Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel, Del Clark and Robyn Folsom. Chair Keith Mays arrived at 6:10pm.
3. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibons, Public Works Director Craig Sheldon, Community Development Director Tom Pessemier, Community Services Director Kristen Switzer, Economic Development Manager Tom Nelson, Budget Officer Julie Blums, Planning Manager Julia Hajduk, Human Resource Manager Anna Lee and District Recorder Sylvia Murphy. City Attorney Paul Elsner.
4. **OTHERS PRESENT:** Kurt Lango with Lango Hansen, Ben Austin with HHPR, Murray Jenkins with Ankrom Moison, Martha Shelly with Capstone Partners, Jeff Sacket with Capstone Partners, Doug Pederson and Bob Silverforb with the Cultural Arts Community Center Project Oversight Steering Committee.
5. **TOPICS DISCUSSED:**
 - A. **Cannery Project Update.** Tom Nelson briefed the URA Board of design elements of the plaza and presented a power point presentation (see record, Exhibit A). Discussion followed. Tom Nelson provided the Board members with a Project Priority List (see record, Exhibit B) and informed the Board the numbers on the exhibit were different from the previously provided list as this current list includes costs for staff time. Discussion followed.
 - B. **Community Center Steering Committee Briefing:** Doug Pederson Chairman for the Cultural Arts Community Center Project Oversight Steering Committee provided the Board with an update on the steering committee and briefed the board with a power point presentation (see record, Exhibit C). Discussion followed. The Board discussed a request from Mr. Pederson for funding of Architectural plans and Cost Studies and the Board directed Mr. Pederson to bring the request before the Board in open session.
6. **ADJOURNED:** Chair Mays adjourned at 7pm.

REGULAR URA BOARD MEETING

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 7:10pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel, Del Clark and Robyn Folsom.
3. **STAFF PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibons, Public Works Director Craig Sheldon, Budget Officer Julie Blums, Community Development Director Tom Pessemier, Community Services Director Kristen Switzer,

Economic Development Manager Tom Nelson, Planning Manager Julia Hajduk and District Recorder Sylvia Murphy. City Attorney Paul Elsner.

4. CONSENT AGENDA:

- A. Approval of November 3, 2009 URA Board Meeting Minutes

MOTION: FROM DEL CLARK TO APPROVE THE CONSENT AGENDA, SECONDED BY LEE WEISLOGEL. ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

5. PUBLIC HEARING:

A. Urban Renewal Agency 2010-11 Approved Budget Document

Chair Mays stated the Board will hold a public hearing on the approved 2010-11 Budget, approved and recommended by the Budget Committee and asked the District Recorder to read the public hearing statement.

Statement: The URA Board of Directors will hold a public hearing on the approved URA 2010-11 Budget. The purpose of the hearing is to allow the public an opportunity to submit testimony on the above said document. The order of business the Board will follow is to hear the staff report, public testimony, additional staff comments and questions from the Board. The hearing will then be closed and no additional testimony will be received, discussion by the Board will follow. Any interested person may present testimony, if you wish to speak please fill out the testimony form and submit it to the District Recorder. The Chair will recognize those persons wishing to speak and any questions should be addressed through the Chair. When you come to the microphone, please state your name and address for the record as this hearing will be recorded, please speak clearly and limit our testimony to four minutes.

Julie Blums, Budget Officer came forward and explained that the Board has before them the staff report and stated the actual budget document is not attached due to the size of the document and stated she hopes the Board has their budget documents with them. Julie explained tonight the Board would be holding the Public Hearing, asking and answering questions in preparation of a June adoption.

Chair Mays opened the hearing and asked to receive testimony on the recommended URA 2010-11 Budget.

Eugene Stewart, 22595 SW Pine Street Sherwood came forward and stated he is on the Board of Old Town Business Association and they have voted as they would like to see Washington Street and Railroad Street completed to match the rest of downtown. He stated that he feels this should be a priority and is not sure if there is money in this budget to address this issue and said this would be a good time to fix the problems as there's a down turn in the economy and not wanting to interrupt business in old town. Mr. Stewart stated Clancy's lost 30% of their business during prior street construction and said they want to know when it will happen and commented about fixing the current street bricks permanently so they don't continue to come up.

Lori Randel, 22710 SW Orcutt Place Sherwood stated she could not tell based on the documents on the website whether or not we are including an intern in the URA Budget and asked the Board not include the intern position and said the \$19,000 spent on the intern this year was poorly spent, she was poorly supervised and she did more harm than good.

Jim Claus, 22211 SW Pacific Hwy Sherwood came forward and entered into the record two exhibits (see record, Exhibits A & B) and informed the City Recorder that unlike the cannery hearing he will file an affidavit and claim the documents are there and said he has two copies of it, one he will mail separately. Mr. Claus stated they deal with the budget. Mr. Claus stated what he finds with the budget is the Board has no concept of the time value of money and said this is distressing and what you have done is you're borrowing money at 4% on 20 years and if you look at it on a financial intermediary basis as you need to, you will get back 1.5% maximum on the taxable portions of what you're putting in. Mr. Claus stated this is a 3 to 1 ratio and said the documents he submitted has information about urban renewal programs around Oregon and said they consider a successful one to be a 50 to 1 ratio. Mr. Claus commented regarding the money borrowed for the City Hall building over \$6 million and money borrowed for the streets over \$7 million and said the time value of money on this is \$1 million a year, and said actually it is \$1.8 million and said the Board is programming loss into the budget and needing to go to other urban renewal projects to borrow the money. Mr. Claus stated he tried to caution the Board, this is bad business and bad public policy and is exceedingly dangerous to do as the Board is threatening the general thing. Mr. Claus stated you're rated by Moody Analysts and they sign off on what you do and this is how you got a bond rating that did not go up or down, because they still think you're in a positive cash flow position, Mr. Claus stated he does not believe this. Mr. Claus commented regarding the problem being the Boards and those that participate with the Board and said the entire urban renewal thing is in the tank and the figures are over \$35 million with no time value of money. Mr. Claus continued to state the Board has no contingencies in the fund. Mr. Claus referenced prior elected officials and prior administration and commented regarding what they could not do with LID's (Local Improvement Districts).

Susan Claus, 22211 SW Pacific Hwy Sherwood stated she thinks there are procedural issues with the budget and stated she submitted comments and did not receive replies but did receive a copy of a draft Broadband Business Plan when requested and said there is still no conversation or explanation for the \$950,000 loan that the Telecom Fund received from proceeds of the cannery sale and said she believes this still needs to be handled and said there is still no interest deducted on the Telecom Fund and this was money that came from the Urban Renewal. Ms. Claus commented she would like to raise the continued objection to using any sales of capital assets to fund in the general fund, having the Urban Renewal Agency purchase things from the City and then the City dump into the general fund and use this to fund operations. Ms. Claus stated she had an overall objection to, not only on the website but on the newly printed out budget that it states it's been approved, she stated this is a concern of hers as well as other community members and said if this is preapproved why would anyone come testify. Ms. Claus stated the Board has closed the loop in the public process, whether intentional or not, and said it's also stated in the City Manager's report that it is an approved budget, it's was on the website as approved and then changed to say it was approved by the Budget Committee. Ms. Claus stated she objects to how this was done, as an approved budget, as people don't know the intricate details and processes to come and testify and said she also objects to the notice given to the citizens that this has already been done. Ms. Claus stated she also wants to object and made comments regarding the Budget Committee being supplied with not only the proposed budget but a balance sheet and said your giving them one side of the picture and we might have additional expenses and liabilities that come up during the budget cycle. Ms. Claus referenced other liabilities and gave an example of receiving a letter from DEQ. Ms. Claus asked that citizens are responded to when asking questions and testifying and said it's never a two way process. Ms. Claus said if you're going to be a representative of the people, you have to know what they think and made comments about having an open budget committee and questions not being answered and now a budget with a lot of flaws is being adopted. Ms. Claus concluded and stated she believes this needs to be re-noticed as the community believes this has already been approved, re-noticed and allow people to come and testify.

Chair Mays asked for other testimony, with none received he closed the public hearing and asked the Board if they had any questions of staff.

Ms. Henderson referenced page 3 and asked why contingences of the URA Budget are budgeted at \$500,000 but projected at \$2.8 million. Julie Blums replied this is because we are not going to spend some of the money we originally thought we would and that money has been moved over to next year.

Ms. Henderson said that's why we have contingencies of \$2.3 million, more than we had last year. Julie confirmed and said we moved over infrastructure costs for the Cannery, moved them into next year because we are not spending them this year and we also moved the debt issuance into next year.

Ms. Henderson asked why would that be assigned a contingency fund. Julie replied we have tax revenue coming in as well, Ms. Henderson interjected and said so it's a combination, Julie confirmed.

Chair Mays asked for other Board questions, with none received he addressed the next agenda item.

6. STAFF REPORTS: None.

Chair Mays recognized Doug Pederson and asked him to come forward.

Doug Pederson, 16018 SW Red Clover Lane Sherwood stated he is the Chair person for the Cultural Arts Steering Committee, for the Community for the Arts Center and said he's coming before the Board to request funding for Architectural plans and cost studies. Mr. Pederson stated they need \$10,000 for the architectural schematic design to do 3 designs and they need \$3000 for construction cost estimating, for a total of \$13,000. Mr. Pederson provided a more detailed briefing to the URA Board in the work session held earlier this evening.

Chair Mays asked and confirmed Doug Pederson and this Committee had met with SURPAC, and that SURPAC was supportive, but they felt at the time the timing wasn't right. Doug stated that Chair Mays was correct that SURPAC was supportive but that it wasn't the right time and said that it was the Cultural Arts Committee that brought this to SURPAC originally and not the Steering Committee.

Chair Mays asked for Board questions, none were received and the following motion was made.

MOTION: FROM MR. HEIRONIMUS THAT THE BOARD GRANT THE REQUEST FOR \$13,000 FOR ARCHITECTURAL AND COST ANALYSIS, SECONDED BY MS. HENDERSON.

Chair Mays asked for discussion on the motion to take the \$13,000 from the 2009-10 contingency fund to support those two endeavors as outlined.

Finance Director Craig Gibons stated we may not need to take it out of contingency as there may be sufficient funds in Materials and Services. Chair Mays replied great, he is glad to hear that.

Board discussion followed regarding the need to amend the motion to specify funding sources. It was determined that an amendment was not necessary.

City Manager Patterson requested the motion state: **the Board authorizes the District Administrator approving these expenses to go ahead and move forward with approval.**

AMENDED MOTION: MR. HEIRONIMUS AMENDED HIS MOTION TO INCLUDE THIS LANGUAGE, MOTION SECONDED BY MS. HENDERSON. ALL BOARD MEMBERS VOTED IN FAVOR.

With no other business to address Chair Mays adjourned the URA Board meeting.

7. ADJOURNED: Chair Mays adjourned at 7:37pm and convened to the regular City Council meeting.

Submitted by:

Approved:

Sylvia Murphy, CMC, District Recorder

Keith S. Mays, Chairman

URA Board Meeting Date: June 15, 2010

Agenda Item: New Business

To: Sherwood Urban Renewal Agency

From: Tom Nelson, Economic Development Manager

SUBJECT: URA Resolution 2010-003 Let's Make Music Façade Grant

Issue

Should the Sherwood Urban Renewal District Board approve a Façade Grant for Don Washington, owner of the buildings housing Let's Make Music?

Background

On May 24, 2010 an application was submitted by Don Washington, the owner of the buildings housing Let's Make Music in Old Town for a Façade Grant. The total estimated project cost for both buildings is \$17,285. The applicant requested consideration for a façade grant for each building. SURPAC members voted to recommend to the District Board to approve the requested Façade Grant.

This program will allow any property owner who uses their building in Old Town for retail or commercial endeavors, a source of matching funds, fifty percent (50%) of the overall project cost, up to \$15,000 for each façade, from the district.

Financial Analysis

Sufficient funds are available in the Façade Grant Program to honor this request. The applicant must submit a bill for work completed before any re-imbusement will be authorized.

Recommendation

APPROVAL OF URA Resolution 2010-003, a Resolution authorizing the URA Board to award a Façade Grant to Don Washington for the exterior improvements to the façade of the buildings located at 22559 and 22573 SW Main St.



URA RESOLUTION 2010-003

A RESOLUTION APPROVING A FAÇADE GRANT FOR DON WASHINGTON, OWNER OF THE BUILDINGS HOUSING LET'S MAKE MUSIC AT 22559 AND 22573 SW PINE STREET

WHEREAS, the Urban Renewal District created the Façade Grant Program by URA Resolution 2003-001 in January 2003 and adopted amendments to the program in May 2004; and

WHEREAS, Don Washington, building owner, representing the buildings housing Let's Make Music, has submitted an application for a grant shown as Exhibit A to this document; and

WHEREAS, the Sherwood Urban Renewal Plan Advisory Committee (SURPAC) concurs with the application and recommended approval.

NOW, THEREFORE, THE URBAN RENEWAL DISTRICT BOARD RESOLVES AS FOLLOWS:

The District Administrator is authorized to grant up to \$15,000 per façade in accordance to the terms and conditions to the Façade Grant Program.

Duly passed by the City of Sherwood Urban Renewal Agency Board of Directors this 15th day of June, 2010.

Keith S. Mays, Board Chair

ATTEST:

Sylvia Murphy, CMC, District Recorder



Old Town Facade Program Grant Application

Date of Application: 5/24/2010 SURPAC Review Date: _____

Business Information

LET'S MAKE MUSIC
Name of Business

22559 MAIN ST - SHERWOOD, OR 97140
Physical Business Address

15774 SW THRASHER WAY, - SHERWOOD, OR 97140
Mailing Address (if different from physical address)

503-522-9910
Business Phone Business Fax Web site

DELYN & RUSSEL GRIFFIN
Business Owner(s) Name(s)

22559 MAIN ST - SHERWOOD, OR 97140
Address of Property to be Improved Phone

Don Washington 503-522-9910
Application being submitted by (owner) Phone E-mail

Project Information

Please describe scope of project. Attach quote, photos or other information as appropriate. (Please attach additional sheets as required).

- 1- REPLACE WINDOWS & DOOR (VINYL & STEEL)
- 2- REPLACE SIDING (HARDY PLANK)
- 3- REPLACE UPPER FACIA BOARDS
- 4- TOTAL REPAINT

Est. Project Start Date: 6-20-2010 Est. Project Completion Date: 7-10-2010

Budget

Total Project Cost: \$ 5,175
Dollar Amount Requested: \$ _____
(Please see attached Guidelines)

Authorization

UR District Manager District Board President Date Awarded

PROPOSAL

PROPOSAL NO.
SHEET NO.
DATE <u>May 15 2010</u>

PROPOSAL SUBMITTED TO:

WORK TO BE PERFORMED AT:

NAME <u>Don Washington</u>
ADDRESS
CITY, STATE
PHONE NO.

ADDRESS <u>22559 Main St.</u>
CITY, STATE <u>Sherwood OR</u>
DATE OF PLANS
ARCHITECT <u>Small Building</u>

We hereby propose to furnish the materials and perform the labor necessary for the completion of

1. Remove and Replace 3 windows with Milgard styleline white Vinyl
2. Remove and Replace 1 door with Cedar steel CGI door, No Locks
3. Remove Batts and install 3/25 primed cedar mill Hardi Plank Siding with window trim
4. Remove Brick chimney and Patch concrete and Roof
5. Repair Roof Facia board where Needed
6. Haul away old doors and windows and Demo material

PAINT - 750⁰⁰

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of four thousand four hundred twenty five and ⁰⁰/₁₀₀ Dollars (\$ 4425.00) with payments to be made as follows upon completion

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted Veary Const. Co.
CEBTT 6284 Per [Signature]

Note - This proposal may be withdrawn by us if not accepted within 30 days

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature _____
 Date _____ Signature _____



Old Town Facade Program Grant Application

Date of Application: 5/24/2010 SURPAC Review Date: _____

Business Information

LET'S MAKE MUSIC

Name of Business

22553 MAIN ST. - SHERWOOD, OR 97140 (LARGE BLDG)

Physical Business Address

15714 SW THRASHER WAY - SHERWOOD, OR 97140

Mailing Address (if different from physical address)

503-625-5343

Business Phone

Business Fax

Web site

DELYN & RUSSEL GRIFFIN

Business Owner(s) Name(s)

SAME

Address of Property to be Improved

Phone

DON WASHINGTON 503-522-9910

Application being submitted by

OWNER J

Phone

E-mail

Project Information

Please describe scope of project. Attach quote, photos or other information as appropriate. (Please attach additional sheets as required).

- 1- REPLACE WINDOWS & DOORS - VINYL & STEEL
- 2- REPLACE SIDING (HARDY PLANK)
- 3- REPLACE UPPER FACIA BOARDS.
- 4- TOTAL BUILDING REPAINT.

Est. Project Start Date: 6-20-2010

Est. Project Completion Date: 7-10-2010

Budget

Total Project Cost:

\$ 12,110

Dollar Amount Requested:

\$ _____

(Please see attached Guidelines)

Authorization

UR District Manager

District Board President

Date Awarded

PROPOSAL NO.
SHEET NO.
DATE May 15 2010

PROPOSAL SUBMITTED TO:

WORK TO BE PERFORMED AT:

NAME Don Washington
ADDRESS
CITY, STATE
PHONE NO.

ADDRESS 22573 Main St.
CITY, STATE Sherwood OR
DATE OF PLANS
ARCHITECT Large Building

We hereby propose to furnish the materials and perform the labor necessary for the completion of

1. Remove and Replace 11 windows with Milgard styleline white Vinyl
2. Remove and Replace 2 Doors with Codel steel C61 door, No Locks
3. Remove Batts and install 8.25 Primed cedar mill handi plank siding with window trim
4. Install 1/2" plywood soffit on back Deck ceiling
5. Move Roof Down spout to over existing Roof
6. Repair Roof Fascia board where needed
7. Patch interior walls as windows as needed
8. Haul away old door and windows and Demo materials

→ ADD BACK DOOR

PAINT - \$1500.00
 12,110 TOTAL ←

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of Ten thousand two hundred fifty and ⁰⁰/₁₀₀ Dollars (\$ 10250.00) with payments to be made as follows upon completion

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted, Veach Const Co
 CCB #8284 Per [Signature]

Note - This proposal may be withdrawn by us if not accepted within 30 days

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature _____
 Date _____ Signature _____

Meeting Date: June 15, 2010

Agenda Item: New Business

TO: URA Board of Directors

FROM: Tom Nelson, Economic Development Manager
Craig L. Gibons, Finance Director

SUBJECT: Expiring Credit Facility, URA Resolution 2010-004

ISSUE: **Refinancing \$7,065,000 Urban Renewal Agency Line of Credit**

BACKGROUND

At the Urban Renewal Agency's June 1st Work Session, staff presented four options for replacing the \$7,065,000 line of Credit that expires in July. Cost and our ability to get financing for future projects were the important factors in that discussion. The Bank of America's offer was less expensive, but its terms and conditions truncated our future borrowing ability. So staff recommended a 20 year financing from the Key Bank.

Following that meeting, Bank of America revised its proposal from a 15 year to a 20 year term and eliminated some restrictive terms. These changes virtually equalized the options. Staff reviewed the two proposals with bond counsel and a financial advisor.

One option is a 20 year loan from Bank of America with a 4.3 estimated interest rate. The other option is a 20 year bond from Key Bank with an estimated average 4.1 percent interest rate, to be determined at time of sale. Issuance costs are significantly lower for the loan (est. \$25,000) than the bond (est. \$80,000).

The bond would take considerably more staff and legal time. It would have to be done on an ambitious schedule, too. The City would have to do in 30 days what normally takes 90 days. The Bank of America proposal is simple, straight forward loan. Both are full faith and credit commitments. While the bond option can be done, it will be at a drop everything for a month pace. The loan option will not require much more of staff than this memo.

The loan transaction requires 1) an intergovernmental agreement wherein the URA pledges to pay the debt service, and 2) resolutions from both agencies enabling this action.

RECOMENDATION

Given the financial equality of the two offers, staff is recommending the simpler option, the loan proposal from Bank of America and has prepared documents accordingly.



URA RESOLUTION 2010-004

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON APPROVING INDEBTEDNESS OF THE AGENCY IN THE FORM AN MORE INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SHERWOOD RELATING TO REFUNDING PROJECTS WITHIN THE URBAN RENEWAL AREA

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, on July 8, 2008 the Agency entered into a Non-Revolving Credit Facility in the amount of \$7,065,000 to finance purchase of the Cannery property (\$3,065,000), a loan to the city of Sherwood Water Fund to increase capacity for urban renewal area growth (\$3,000,000), and the purchase of a machine works building to eliminate blighted conditions (\$1,000,000) (collectively, the “Projects”); and,

WHEREAS, the Projects are listed as urban renewal projects in the Agency’s urban renewal plan; and,

WHEREAS, the City of Sherwood is proposing to borrow \$7,065,000 to refund the \$7,065,000 outstanding under the Agency’s 2008 Non-Revolving Credit Facility; 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 refunding; and

WHEREAS, the urban renewal plan establishes a maximum indebtedness limit for that Urban Renewal Area of \$35,347,600. The Agency has previously incurred only the following indebtedness for the area: the “Parity Obligations” as defined in the attached form of Intergovernmental Agreement (Exhibit A), in an aggregate principal amount of \$5,415,000, the “Senior Lien Obligations” as defined in the attached Intergovernmental Agreement in an aggregate principal amount of \$12,245,708, the 2008 Non-Revolving Credit Facility, in an aggregate principal amount of \$7,065,000 and direct expenditures of Tax Increment Revenues in an amount of not more than \$1,500,000. Because the proposed refunding does not count towards the maximum indebtedness limits, after the refunding the Area is left with at least \$9,121,892 of remaining indebtedness that may be issued for the Area; now, therefore, it is hereby

RESOLVED AS FOLLOWS BY THE URBAN RENEWAL AGENCY BOARD OF DIRECTORS:

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 refunding the Projects, in an aggregate principal amount not to exceed \$7,065,000 (the "Intergovernmental Agreement"). The Intergovernmental Agreement shall be in substantially the form attached to this Resolution as Exhibit A, but with such changes as the Urban Renewal District 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 15th day of June, 2010.

**Urban Renewal Agency of City of Sherwood,
Oregon**

Keith S. Mays, Board Chair

Attest:

Sylvia Murphy, CMC, District Recorder

**Exhibit A to URA Resolution 2010-004
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 July 7, 2010

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**Intergovernmental Agreement
to Make Loan Payments**

This Intergovernmental Agreement to Make Loan Payments is dated as of July 7, 2010, 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:

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

“Financing Agreement” means the Financing Agreement and related note between the City and the Bank in the principal amount of \$7,065,000 related to the Project, which is dated as of July 7, 2010.

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

“Parity Obligations” means to the intergovernmental agreement between the City and the Agency which is dated May 21, 2003, and secures a loan of \$2,435,000, the 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 intergovernmental agreement between the City and the Agency which is dated June 5, 2005, and secures a loan of \$830,000, and the intergovernmental agreement between the City and the Agency which is dated July 21, 2006, and secures a loan of \$1,800,000.

“Project” means collectively, the purchase of the Cannery property (\$3,065,000), a loan to the city of Sherwood Water Fund to increase capacity for urban renewal area growth (\$3,000,000), and the purchase of a machine works building to eliminate blighted conditions (\$1,000,000), all financed originally with the Agency’s 2008 Non-Revolver Credit Facility.

“Senior Lien Obligations” means Agency’s commitment to the City to pay the following City loans from the State of Oregon Economic and Community Development Department: a loan in the original principal amount of \$5,845,708 that was entered into in 2003, and a loan in the original principal amount of \$6,400,000 that was entered into in 2007.

(2) “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.

(A) The City has entered into the Financing 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 to the Bank amounts that are equal to the Loan Payments in a maximum principal amount of \$7,065,000. 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 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 the Financing 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 District of the City of
Sherwood Oregon**

James Patterson
Urban Renewal District Administrator

Craig L. Gibons
Finance Director

For the City of Sherwood Oregon

James Patterson
City Administrator

Craig L. Gibons
Finance Director

EXHIBIT A

LOAN PAYMENT SCHEDULE

Interest, calculated on a 30/360 day basis, is payable semi-annually on _____ and _____, commencing _____, 2010.

<u>Date</u> (_____)	<u>Principal</u> <u>Payment (\$)</u>	<u>Interest Rate (%)</u>
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URA Board of Directors Meeting
06.15.10, New Business Walkdown, Resolution 2010-004
Exh. A

Resolution No. 2010-___

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 REFINANCING PROJECTS WITHIN THE URBAN RENEWAL AREA

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, on July 8, 2008 the Agency entered into a Non-Revolving Credit Facility in the amount of \$7,065,000 to finance purchase of the Cannery property (\$3,065,000), a loan to the city of Sherwood Water Fund to increase capacity for urban renewal area growth (\$3,000,000), and the purchase of a machine works building to eliminate blighted conditions (\$1,000,000) (collectively, the "Projects"); and,

WHEREAS, the Projects are listed as urban renewal projects in the Agency's urban renewal plan; and,

WHEREAS, the City of Sherwood is proposing to borrow \$7,065,000 to refund the \$7,065,000 outstanding under the Agency's 2008 Non-Revolving Credit Facility; 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 refunding; and

WHEREAS, the urban renewal plan establishes a maximum indebtedness limit for that Urban Renewal Area of \$35,347,600. The Agency has previously incurred only the following indebtedness for the area: the "Parity Obligations" as defined in the attached form of Intergovernmental Agreement (Exhibit A), in an aggregate principal amount of \$5,415,000, the "Senior Lien Obligations" as defined in the attached Intergovernmental Agreement in an aggregate principal amount of \$12,245,708, the 2008 Non-Revolving Credit Facility, in an aggregate principal amount of \$7,065,000 and direct expenditures of Tax Increment Revenues in an amount of not more than \$1,500,000. Because the proposed refunding does not count towards the maximum indebtedness limits, after the refunding the Area is left with at least \$9,121,892 of remaining indebtedness that may be issued for the Area; now, therefore, it is hereby

RESOLVED 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 refunding the Projects, in an aggregate principal amount not to exceed \$7,065,000 (the "Intergovernmental Agreement"). The Intergovernmental Agreement shall be in substantially the form attached to this Resolution

as Exhibit A, but with such changes as the Urban Renewal District 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 15th day of June, 2010.

**Urban Renewal Agency of City of Sherwood,
Oregon**

Authorized Officer

Attest:

Authorized Officer

**Exhibit A to Resolution –
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 July 7, 2010

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**Intergovernmental Agreement
to Make Loan Payments**

This Intergovernmental Agreement to Make Loan Payments is dated as of July 7, 2010, 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:

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

"Financing Agreement" means the Financing Agreement and related note between the City and the Bank in the principal amount of \$7,065,000 related to the Project, which is dated as of July 7, 2010.

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

"Parity Obligations" means to the intergovernmental agreement between the City and the Agency which is dated May 21, 2003, and secures a loan of \$2,435,000, the 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 intergovernmental agreement between the City and the Agency which is dated June 5, 2005, and secures a loan of \$830,000, and the intergovernmental agreement between the City and the Agency which is dated July 21, 2006, and secures a loan of \$1,800,000.

"Project" means collectively, the purchase of the Cannery property (\$3,065,000), a loan to the city of Sherwood Water Fund to increase capacity for urban renewal area growth (\$3,000,000), and the purchase of a machine works building to eliminate blighted conditions (\$1,000,000), all financed originally with the Agency's 2008 Non-Revolver Credit Facility.

"Senior Lien Obligations" means Agency's commitment to the City to pay the following City loans from the State of Oregon Economic and Community Development Department: a loan in the original principal amount of \$5,845,708 that was entered into in 2003, and a loan in the original principal amount of \$6,400,000 that was entered into in 2007.

(2) "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.

(A) The City has entered into the Financing 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 to the Bank amounts that are equal to the Loan Payments in a maximum principal amount of \$7,065,000. The amounts and dates of the Loan Payments are shown in Exhibit A.

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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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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.

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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.

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

James Patterson
Urban Renewal District Administrator

Craig L. Gibons
Finance Director

For the City of Sherwood Oregon

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LOAN PAYMENT SCHEDULE

Interest, calculated on a 30/360 day basis, is payable semi-annually on _____ and _____, commencing _____, 2010.

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

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
June 15, 2010
22560 SW Pine Street, Sherwood Oregon 97140**

REGULAR URA BOARD MEETING

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 8:10pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel and Robyn Folsom. Del Clark was absent.
3. **STAFF PRESENT:** Community Development Director Tom Pessemier, Police Chief Jeff Groth, Finance Director Craig Gibbons, Economic Development Manager Tom Nelson and District Recorder Sylvia Murphy. City Attorney Chris Crean.

Chair Mays asked for a motion to approve the Consent Agenda.

4. CONSENT:

A. Approval of May 18, 2010 Board Meeting Minutes

MOTION: FROM DAVE HEIRONIMUS TO APPROVE THE CONSENT AGENDA, SECONDED BY LEE WEISLOGEL. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

2. NEW BUSINESS

A. URA Resolution 2010-003 Approving a Façade Grant for Don Washington, owner of the buildings housing Let's Make Music at 22559 and 22573 SW Pine Street

Tom Nelson Economic Development Manager came forward and explained the resolution.

Chair Mays noted an error in the title of the Resolution; Pine Street was incorrect as it should be Main Street.

Chair Mays asked for questions of the Board. With none received, the following motion was made to amend the resolution.

MOTION: FROM DAVE HEIRONIMUS TO AMEND URA RESOLUTION 2010-003, TO CORRECT THE NAME OF THE STREET FROM PINE TO MAIN, SECONDED BY LINDA HENDERSON. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

The following motion was received on the amended resolution.

MOTION: FROM LEE WEISLOGEL TO ADOPT AMENDED URA RESOLUTION 2010-003, SECONDED BY LINDA HENDERSON. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

B. URA Resolution 2010-004 A Resolution of the Urban Renewal Agency of the City of Sherwood, Oregon approving indebtedness of the Agency in the form of one or more Intergovernmental Agreements with the City of Sherwood relating to refunding projects within the Urban Renewal area

Craig Gibbons, Finance Director, distributed a revised document to the Board (See record, Exhibit A).

Chair Mays stated the Board is repeating basically what was done this evening at the Council meeting. Craig confirmed.

Chair Mays asked for questions from the Board and confirmed the District Recorder would format the resolution and assign the appropriate legislation number. With no Board questions, the following motion was received.

MOTION: FROM DAVE HEIRONIMUS TO ADOPT URA RESOLUTION 2010-004, AS PROVIDED BY STAFF IN THE WALK-ON RESOLUTION, SECONDED BY LEE WEISLOGEL. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

5. STAFF REPORTS: None.


With no other business to address Chair Mays adjourned the URA Board meeting.

6. ADJOURNED: Chair Mays adjourned at 8:20pm.

Submitted by:

Approved:


Sylvia Murphy, CMC, District Recorder


Keith S. Mays, Chairman