



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Tuesday, August 7, 2012

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

URA Board of Directors Meeting

(Following the City Council Meeting)

Executive Session to follow

*(Pursuant to ORS 192.660(2)(e) Real Property Transaction and
(2)(f) Confidential Documents – legal advice)*

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

Tuesday, August 7, 2012
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

- A. Approval of June 5, 2012 URA Board Meeting Minutes**
- B. Approval of June 19, 2012 URA Board Meeting Minutes**

4. NEW BUSINESS

- A. URA Resolution 2012-017 of the Urban Renewal Agency of the City of Sherwood, Oregon approving refinancing of previously approved indebtedness to obtain debt service savings (Craig Gibbons, Finance Director)**

5. STAFF REPORTS

6. ADJOURN to EXECUTIVE SESSION, Pursuant to ORS 192.660(2)(e) Real Property Transaction and (2)(f) Confidential Documents – legal advice

7. ADJOURN

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

Tuesday, June 5, 2012

22560 SW Pine Street, Sherwood, Oregon 97140

URA BOARD REGULAR MEETING

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 9:08 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Linda Henderson, Bill Butterfield, Matt Langer and Krisanna Clark. Mr. Dave Grant and Ms. Robyn Folsom were absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Pro Tem Tom Pessemier, Finance Director Craig Gibons, Community Services Director Kristen Switzer, Police Chief Jeff Groth, Police Captain Mark Daniel, Accounting Supervisor Julie Blums, City Engineer Bob Galati, Planning Manager Julia Hajduk, Associate Planner Michelle Miller, Administrative Assistant Kirsten Allen and District Recorder Sylvia Murphy. City Attorney Chris Crean.

Chair Mays addressed the Consent Agenda and asked for a motion

4. **CONSENT:**

A. Approval of May 15, 2012 URA Board Meeting Minutes

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY BILL BUTTERFIELD, ALL PRESENT BOARD MEMBERS VOTED IN FAVOR. (GRANT AND FOLSOM WERE ABSENT).

Chair Mays addressed the next agenda item and asked the District Recorder to read the public hearing statement.

5. **PUBLIC HEARING:**

A. URA Resolution 2012-015 Adopting a Supplemental Budget and making appropriations

Craig Gibons Finance Director came forward and explained the supplemental budget was coming before the Board for two reasons; the personnel services expenditures exceeded the budget on the operations side and staff is requesting an increase in appropriations of \$19,000, which will be a reduction of fund balance. Craig explained this is due to the involvement of more people in Urban Renewal Agency activities this year than was budgeted and partly due to the transition of the URA and bringing it under the control of the exercises of other city departments. Craig stated the second reason as: earlier this year we purchased property (house) out of the storm fund, which was a URA purchase and this is an increase in the allocation of transfers out to pay for that; transferring money to the storm fund.

Chair Mays stated we have not sold it yet, Craig confirmed it has not been sold. Chair Mays asked if it was being marketed, Craig replied no it is currently being divided.

Chair Mays opened the public hearing to receive testimony, with none received, he closed the public hearing.

Chair Mays asked for questions or comments from the Board, with none received he asked for a motion.

MOTION: FROM LINDA HENDERSON TO ADOPT URA RESOLUTION 2012-015, SECONDED BY MATT LANGER, ALL PRESENT BOARD MEMBERS VOTED IN FAVOR. (GRANT AND FOLSOM WERE ABSENT).

Chair Mays addressed the next agenda item.

B. URA Resolution 2012-016 Adopting the 2012-13 Budget of the City of Sherwood Urban Renewal Agency, making appropriations, imposing and categorizing taxes, and authorizing the Agency Manager to take such action necessary to carry out the adopted budget

Craig Gibons, Finance Director came forward and stated this is the approved budget without any changes.

Chair Mays opened the public hearing to receive testimony.

Eugene Stewart 22595 SW Pine Street Sherwood came forward and asked what the “transfers out” were.

Chair Mays thanked Mr. Stewart and asked for other testimony, with none received, Chair Mays closed the public hearing and asked staff to respond to Mr. Stewart’s question.

Craig Gibons replied the “transfers out” were to the street fund to pay for the improvements to the downtown streetscapes.

With no questions or comments from the Board, Chair Mays asked for a motion.

MOTION: FROM BILL BUTTERFIELD TO ADOPT URA RESOLUTION 2012-016, SECONDED BY LINDA HENDERSON, ALL PRESENT BOARD MEMBERS VOTED IN FAVOR. (GRANT AND FOLSOM WERE ABSENT).

Craig Gibons thanked the URA Board and Council members and the Budget Committee for their thoughtfulness and work on the budget.

Chair Mays thanked staff and the budget committee members for their work on the budget and stated everyone has been very busy with monthly budget meetings and has seen the benefits of the meetings for the entire community.

Chair Mays addressed the next agenda item.

6. STAFF REPORTS:

Tom Pessemier informed the Board June 19th was their next meeting and June 14th was SURPAC's next scheduled meeting and said SURPAC will be working on prioritizing projects as requested by the URA Board. Tom informed the Board staff is proposing to schedule a joint work session with the URA Board and SURPAC on June 19th to look at projects and said Sherwood Main Street will be providing their quarterly report at this meeting as well.

Chair Mays asked about the start time of the proposed work session and if an hour was sufficient. Tom replied considering the amount of work and not having had a recent robust joint session, he recommends starting the work session at 5:30pm.

7. ADJOURN: Chair Mays adjourned the URA Board meeting at 9:17 pm

Submitted by:

Sylvia Murphy, CMC, District Recorder

Keith S. Mays, Chair

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, June 19, 2012
22560 SW Pine Street, Sherwood, Oregon 97140**

URA BOARD WORK SESSION-JOINT SESSION WITH SURPAC

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 5:36 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Matt Langer, Robyn Folsom and Krisanna Clark. Bill Butterfield was absent.
3. **SURPAC MEMBERS PRESENT:** Chair Charlie Harbick, Tim Heine, Bob Silverforb, Amanda Bates, Scott Johnson, Dennis Durrell arrived at 6:40 pm.
4. **STAFF PRESENT:** City Manager Pro Tem Tom Pessemier, Finance Director Craig Gibons, City Engineer Bob Galati, Police Captain Mark Daniel, HR Manager Anna Lee and District Recorder Sylvia Murphy.
5. **OTHERS PRESENT:** Lee Weislogel with Sherwood Main Street.
6. **TOPICS:**
 - A. **Sherwood Main Street (SMS) Update:** Lee Weislogel provided the Board with an update on the Sherwood Main Street program and recapped the history of the program, informed of the progress to date and future funding needs. Mr. Weislogel reported on deliverables, programs SMS is working on, branding and grants. Discussion followed.
 - B. **URA Project List:** Tom Pessemier briefed the group on a project priority list with the maximum indebtedness review done by SURPAC, briefed on funds budgeted for priority projects. Tom briefed on the status of the Plaza project and Community Center and overages in the Center's budget. Discussion followed. City Engineer Bob Galati recapped the downtown Streetscape Phase II project and provided a handout (see record, Exhibit A), discussion followed regarding SURPAC's support of wider sidewalks, and supporting Alternative 2 of exhibit. Brief discussion occurred regarding downtown alleys, emergency access standards, railroad crossing standards and signage. Finance Director Craig Gibons briefed the group on financials and provided a handout (see record, Exhibit B), discussion followed. Tom Pessemier briefed the group on project prioritization and provided a handout (see record, Chart 4, Exhibit C),

discussion followed. Tom informed of future work to be presented to SURPAC and brief discussion occurred regarding street naming.

- C. ADJOURN:** Chair Mays adjourned the URA Board work session at 7:03 pm and convened to a City Council meeting.

Submitted by:

Sylvia Murphy, CMC, District Recorder

Keith S. Mays, Chair

TO: URA Board of Directors

FROM: Craig L. Gibons, Finance Director

SUBJECT: URA Resolution 2012-017 Authorizing IGA to Pay Debt Service

ISSUE:

Staff is seeking Board Authorization to execute an intergovernmental agreement (IGA) with the City of Sherwood that will obligate the Agency to continue making debt service payments.

BACKGROUND:

The City is in the process of refinancing the following loans.

Loan	Lender	Principal Amount	
		Original	Outstanding
2003 City Hall/Library Construction	State of Oregon	\$ 5,845,708	\$ 3,995,913
2006 Downtown Street Improvements	Bank of America	\$ 1,800,000	\$ 1,245,523

The Agency is committed, through an IGA, to pay the debt service on these two loans. That arrangement needs to continue as part of the refinancing agreement. The attached Resolution authorizes the Agency Administrator or the City Finance Director to enter into a new IGA to continue the arrangement.

The *estimate* from the City's Financial Advisor is that by combining these two loans and refinancing at current market rates, the Agency can save \$470,000 over the remaining 11-year life of the debt. The actual savings will not be known until the bids are opened.

This refunding transaction does not change the Agency's Maximum Indebtedness of \$45,133,000. Nor does it change the dollar value of the projects charged against Maximum Indebtedness. The only impact of this action is to reduce future debt service payments.

RECOMENDATION

Staff recommends adoption of URA Resolution 2012-017, A Resolution of the Urban Renewal Agency of the City of Sherwood, Oregon Approving Refinancing of Previously Approved Indebtedness to Obtain Debt Service Savings.



URA RESOLUTION 2012-017

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

WHEREAS, the Urban Renewal Agency of the City of Sherwood (the “Agency”) is authorized by ORS Chapter 457 to incur indebtedness to carry out its urban renewal plan, by ORS Chapter 190 to enter into intergovernmental agreements, and by ORS Chapter 287A to refund outstanding borrowings; and,

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

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

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

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

Section 1. Intergovernmental Agreement Authorized.

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

Section 2. Security.

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

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

DATED this 7th day of August 2012.

Keith S. Mays, Agency Chair

Attest:

Sylvia Murphy, CMC, Agency Recorder

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

**Intergovernmental Agreement
to Make Loan Payments**

by and between the

Urban Renewal Agency of the City of Sherwood, Oregon

and the

City of Sherwood, Oregon

Dated as of ____, 2012

**Intergovernmental Agreement
to Make Loan Payments**

This Intergovernmental Agreement to Make Loan Payments is dated as of ____, 2012, and is entered into by and between the Urban Renewal Agency of the City of Sherwood, Oregon, (the “Agency”) and the City of Sherwood, Oregon (the “City”). The parties hereby agree as follows:

Section 1. Definitions and Recitals.

(1) Definitions.

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

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

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

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

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

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

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

(2) Findings.

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

(B) The Project is properly described as an urban renewal project in the Agency’s urban renewal plan.

(C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Project.

(D) The Project will assist the Agency in carrying out its urban renewal plan.

Section 2. The Loan Payments.

(1) The Loan Payments.

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

Exhibit A to Resolution –
Form of Intergovernmental Agreement

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

(2) Security for the Obligation of the Agency to Pay the Loan Payments.

The Agency hereby pledges its Tax Increment Revenues to pay the amounts described in Section 2.1 of this Intergovernmental Agreement, and this Intergovernmental Agreement shall constitute an indebtedness of the Agency. The pledge of the Tax Increment Revenues shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues. That pledge is subordinate to the pledge relating to the Senior Lien Obligations, and on parity with the pledge of the Agency related to the Parity Obligations.

Section 3. Tax Covenant

The Agency covenants to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, (the “Code”) so that interest on the Loan Agreement is excludable from gross income under the Code. All covenants of the Agency relating to the excludability of interest that are contained in the closing documents for the Loan Agreement are hereby incorporated by reference.

Section 4. Miscellaneous

(1) Binding Effect.

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

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

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

(4) Execution in Counterparts.

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

(5) Applicable Law.

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

transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

(6) Rules of Construction.

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

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

Authorized Official

For the City of Sherwood Oregon

City Official

EXHIBIT A

LOAN PAYMENT SCHEDULE

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

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

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, August 7, 2012
22560 SW Pine Street, Sherwood, Oregon 97140**

REGULAR SESSION

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 8:55 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Matt Langer, Robyn Folsom, Bill Butterfield and Krisanna Clark.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Community Development Director Tom Pessemier, Finance Director Craig Gibons, Accounting Manager Julie Blums, Police Chief Jeff Groth, Community Services Director Kristen Switzer, Public Works Director Craig Sheldon, City Engineer Bob Galati, Administrative Assistant Kirsten Allen and Agency Recorder Sylvia Murphy. City Attorney Paul Elsner.

Chair Mays addressed the Consent Agenda and asked for a motion.

4. CONSENT AGENDA:

- A. **Approval of June 5, 2012 URA Board Meeting Minutes**
- B. **Approval of June 19, 2012 URA Board Meeting Minutes**

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY ROBYN FOLSOM, ALL MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

5. NEW BUSINESS:

- A. **URA Resolution 2012-017 of the Urban Renewal Agency of the City of Sherwood, Oregon approving refinancing of previously approved indebtedness to obtain debt service savings**

Finance Director Craig Gibons came forward and explained the resolution is the authorization of the URA to redo the financing and the commitment by the URA to pay the debt service.

Chair Mays stated he appreciated staff efforts to lower the cost of doing business.

Chair Mays asked for questions from the Board, with none received he asked for a motion.

MOTION: FROM ROBYN FOLSOM TO ADOPT URA RESOLUTION 2012-017, SECONDED BY LINDA HENDERSON, ALL MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

6. STAFF REPORTS

Tom Pessemier reported on the water feature at the Cannery Plaza and thanked everyone for their patience as staff addressed issues with valves and were able to replace them this last week and said the fountain is operating at near full capacity.

Chair Mays commended staff for addressing the issue in a timely fashion and said families and businesses are benefiting from the attraction.

Linda Henderson stated its been a great venue for the Library story time with the larger space.

Krisanna Clark commented she drive by today and saw at least three time the people and commented regarding the library story time being intergenerational with seating areas and shady areas for people

With no other business to address, Chair Mays stated the URA Board will be meeting in an Executive Session pursuant to ORS 192.660 (2)(e) and 192.660 (2)(f) and would reconvene the regular session following the executive session.

7. ADJOURN to EXECUTIVE SESSION: Adjourned at 8:58 pm.

EXECUTIVE SESSION:

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 9:00 pm and asked the Agency Recorder to read the executive session statement.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Matt Langer, Robyn Folsom, Bill Butterfield and Krisanna Clark.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Community Development Director Tom Pessemier, Finance Director Craig Gibons, Accounting Manager Julie Blums, Community Services Director Kristen Switzer, City Engineer Bob Galati and Agency Recorder Sylvia Murphy. City Attorney Paul Elsner.

4. TOPICS

- A. **Cannery Project.** City Attorney Elsner provided a document (exempt public record, pursuant to ORS 192.660 (2)(F). Discussion followed.
5. **ADJOURN:** Chair Mays adjourned the URA Board executive session at 9:30 pm and reconvened to the regular Board meeting at 9:35 pm.

REGULAR SESSION:

1. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Matt Langer, Robyn Folsom, Bill Butterfield and Krisanna Clark.

2. STAFF AND LEGAL COUNSEL PRESENT: City Manager Joe Gall, Community Development Director Tom Pessemier, Finance Director Craig Gibons, Accounting Manager Julie Blums, Community Services Director Kristen Switzer, City Engineer Bob Galati and Agency Recorder Sylvia Murphy. City Attorney Paul Elsner.

3. TOPICS:

A. Cannery Project Agreements with Capstone Partners. Chair Mays stated the URA Board is reconvening from an Executive Session and stated the following motion.

MOTION: FROM CHAIR MAYS TO DIRECT STAFF TO ENTER INTO NEGOTIATIONS WITH CAPSTONE TO CONSIDER REVISIONS TO OUR AGREEMENTS WITH THEM, SECONDED BY BILL BUTTERFIELD. ALL MEMBERS VOTED IN FAVOR.

4. ADJOURN: Chair Mays adjourned at 9:39 pm.

Submitted by:


Sylvia Murphy, CMC, Agency Recorder


Keith S. Mays, Chair