

Urban Renewal Agency

July 20, 2020



Executive Session 5:00pm

Work Session 5:30pm

Council Meeting 7:00pm

**URA Meeting Following Council Meeting
(All held in Council Chambers)**

This meeting is taking place with social distancing precautions in place:

- Councilors are participating virtually, via Zoom videoconferencing.

To Provide Public Comment

- 1) Written comments may be submitted to the City Recorder (Wilsonville City Hall, 29799 SW Town Center Loop East, Wilsonville, OR 97070).
- 2) Digital comments (email) may be submitted to cityrecorder@ci.wilsonville.or.us.
- 3) Individuals may participate online through the Zoom videoconferencing platform. Contact City Recorder at cityrecorder@ci.wilsonville.or.us or by phone at (503) 570-1506 to register.

You can watch the City Council Meeting here:

You Tube: [youtube.com/c/CityofWilsonvilleOR](https://www.youtube.com/c/CityofWilsonvilleOR)

City of Wilsonville

Urban Renewal Agency Meeting

July 20, 2020



URA AGENDA

**CITY OF WILSONVILLE
URBAN RENEWAL AGENCY**

**JULY 20, 2020
7:00 P.M.**

**CITY HALL
29799 SW TOWN CENTER LOOP
WILSONVILLE, OREGON**

Immediately Following the City Council Meeting

Chair Tim Knapp

Board Member Kristin Akervall
Board Member Ben West

Board Member Charlotte Lehan
Board Member Joann Linville

CALL TO ORDER

A. Roll Call

CITIZEN INPUT

This is an opportunity for visitors to address the Urban Renewal Agency Board on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the Board will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

CONSENT AGENDA

A. Minutes of the June 15, 2020 URA Meeting. (Veliz)

NEW BUSINESS

A. **URA Resolution No. 309**

A Resolution Authorizing An Intergovernmental Agreement With The City Of Wilsonville Pertaining To Short Term Subordinate Urban Renewal Debt For The Coffee Creek Area Plan District For The Purpose Of Funding The Construction Of Capital Improvement Projects By The Agency. (Rodocker)

ADJOURN

**CITY OF WILSONVILLE
URBAN RENEWAL AGENCY
JUNE 15, 2020**

The Urban Renewal Agency held a regular meeting on June 15, 2020 in the Wilsonville City Hall immediately following the adjournment of the City Council meeting.

The following Board Members were present:

Chair Knapp
Member Akervall
Member Lehan
Member West
Member Linville

Staff present included:

Bryan Cosgrove, City Manager
Barbara Jacobson, City Attorney
Kimberly Veliz, City Recorder
Andy Stone, IT Director
Beth Wolf, Information Systems Analyst
Cathy Rodocker, Finance Director

CALL TO ORDER

Chair Knapp called the URA meeting to order at 10:27 p.m. followed by roll call.

CITIZEN INPUT

There was none.

CONSENT AGENDA

A. Minutes of the June 1, 2020 URA Meeting

Motion: Ms. Linville moved to approve the consent agenda. Ms. Lehan seconded the motion.

Vote: Motion carried 5-0.

SUMMARY OF VOTES

Chair Knapp	Yes
Member Akervall	Yes
Member Lehan	Yes
Member West	Yes
Member Linville	Yes

PUBLIC HEARING

Ms. Jacobson read the title of URA Resolution No. 308 into the record.

A. URA Resolution No. 308

A Resolution Authorizing A Supplemental Budget Adjustment for Fiscal Year 2019-20.

Chair Knapp opened the public hearing at 10:30 p.m. after reading the hearing format.

No Board Member declared a conflict of interest, bias, or conclusion from information gained outside the hearing. No member of the audience challenged any of the Board Member’s participation.

Ms. Rodocker presented the staff report.

There were no members of the public wishing to provide testimony.

Mayor Knapp closed the public hearing at 10:32 p.m.

Motion: Ms. Lehan moved to approve URA Resolution No. 308. Ms. Linville seconded the motion.

Vote: Motion carried 5-0.

SUMMARY OF VOTES

Chair Knapp	Yes
Member Akervall	Yes
Member Lehan	Yes
Member West	Yes
Member Linville	Yes

ADJOURN

The URA meeting adjourned at 10:33 p.m.

Respectfully submitted,

Kimberly Veliz, City Recorder

ATTEST:

Tim Knapp, Chair



**URBAN RENEWAL AGENCY MEETING
STAFF REPORT**

<p>Meeting Date: July 20, 2020</p>	<p>Subject: URA Resolution No. 309 Intra-agency Agreement – URA and City to Lend and Repay up to \$500,000</p> <p>Staff: Cathy Rodocker, Finance Director</p> <p>Department: Finance</p>
<p>Action Required</p>	<p>Advisory Board/Commission Recommendation</p>
<p><input checked="" type="checkbox"/> Motion</p> <p><input type="checkbox"/> Public Hearing Date:</p> <p><input type="checkbox"/> Ordinance 1st Reading Date:</p> <p><input type="checkbox"/> Ordinance 2nd Reading Date:</p> <p><input checked="" type="checkbox"/> Resolution</p> <p><input type="checkbox"/> Information or Direction</p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Council Direction</p> <p><input type="checkbox"/> Consent Agenda</p>	<p><input type="checkbox"/> Approval</p> <p><input type="checkbox"/> Denial</p> <p><input type="checkbox"/> None Forwarded</p> <p><input checked="" type="checkbox"/> Not Applicable</p> <hr/> <p>Comments: N/A</p>
<p>Staff Recommendation: Staff recommends the Urban Renewal Agency (URA) adopt URA Resolution No. 309.</p>	
<p>Recommended Language for Motion: I move to approve URA Resolution No. 309.</p>	
<p>Project / Issue Relates To:</p>	
<p><input type="checkbox"/> Council Goals/Priorities</p>	<p><input type="checkbox"/> Adopted Master Plan(s)</p>
<p><input checked="" type="checkbox"/> Not Applicable</p>	

ISSUE BEFORE COUNCIL:

Board action is needed to approve an intergovernmental agreement between the Urban Renewal Agency and the City that will provide \$500,000 on a short term basis.

EXECUTIVE SUMMARY:

The Coffee Creek Urban Renewal District (District) has one capital project-Garden Acres Road that is under construction. The District is in need of borrowing additional money in order to pay for the improvements. The District has sufficient cash balances in its debt service fund to allow for repayment of borrowing on a short term basis-short term being defined as “over-night”.

The Urban Renewal Agency enters into agreements with financial institutions and/or the City for financing capital projects, depending upon the dollar amount necessary and the capacity of the Agency’s debt service funds to repay debt on a short-term basis or a long-term basis, ensuring adequate cash flows exist for current debt obligations, as well as the capacity of the City’s General Fund to loan funds on a short-term basis.

State statutes allow the Urban Renewal Agency (Agency) to borrow from the City’s General Fund provided both the City and the Agency agree to the terms of borrowing.

The terms of the currently proposed borrowing are as follows:

- City lends to Agency \$500,000 at 1.80 percent (1.80%).
- The Agency repays the amount from tax increment funds on hand the day after the receipt of the loan.
- Total interest to the General Fund will be approximately \$25.
- The borrowing is subordinate to outstanding senior lien debt.

By borrowing from City Funds, the Agency is able to avoid loan origination fees and legal costs associated with borrowing from a financial institution. The public purpose of the loan is to fund the Garden Acres Road project authorized in the Coffee Creek Area Urban Renewal Plan.

EXPECTED RESULTS:

Authorizing the IGA by the respective Resolution of the City and the Agency will provide cash resources of \$500,000 to pay for the costs associated with the Garden Acres Road Projects, within the Coffee Creek Area Urban Renewal District.

TIMELINE:

Borrowing and repayment will occur within the month of July 2020. The IGA anticipates the loan and repayment occurring July 21 and July 22, respectively.

CURRENT YEAR BUDGET IMPACTS:

This loan and the repayment were included in the adopted FY 2020-21 City budget.

FINANCIAL REVIEW / COMMENT:

Reviewed by: CAR Date: 7/2/2020

LEGAL REVIEW / COMMENT:

Reviewed by: BAJ Date: 7/7/2020

The form of the Resolutions and IGA are approved. The City is a home rule city and as such under its Charter has the authority to act in ways that are necessary and convenient under the laws and Constitution of the State of Oregon. The Oregon Constitution, Article XI, Section 9 limits the power of cities to loan its credit to private corporations. The Agency is not a private corporation, but is a unit of local government as is the City. Specifically, the laws in ORS Chapter 190 provide for intergovernmental agreements between units of local governments to provide for the functions or activities which they are authorized to do (building road projects are such functions or activities) and to provide for apportioning the responsibility for providing funds to pay for the expenses incurred in the performance of the functions of activities, which is what is occurring in the IGA.

COMMUNITY INVOLVEMENT PROCESS:

There has been no specific community outreach or involvement pertaining to this borrowing.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:

The borrowing will not directly impact local businesses or neighborhoods, however, the construction projects to be funded will have significant impact on both.

ALTERNATIVES:

Engage in borrowing from financial institution. Using this process would take more time and cost the Urban Renewal Agency significantly more money.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. URA Resolution No. 309
 - A. Intergovernmental Agreement Between the City and the Urban Renewal Agency.

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE
URA RESOLUTION NO. 309

**A RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT
WITH THE CITY OF WILSONVILLE PERTAINING TO SHORT TERM
SUBORDINATE URBAN RENEWAL DEBT FOR THE COFFEE CREEK AREA PLAN
DISTRICT FOR THE PURPOSE OF FUNDING THE CONSTRUCTION OF CAPITAL
IMPROVEMENT PROJECTS BY THE AGENCY.**

WHEREAS, the Urban Renewal Agency of the City of Wilsonville, Oregon (the “Agency”) finds it desirable to authorize an intergovernmental agreement with the City of Wilsonville which is to provide short term borrowing proceeds in the amount of not more than \$500,000 for its Coffee Creek Area District for the construction costs for approved capital projects within the district; and,

WHEREAS, ORA 190.010 provides legal authority for the two entities to enter into a binding intergovernmental agreement (the “Agreement”); and,

WHEREAS, the use of an Agreement is efficient and less costly than other means of obtaining financing for the Agency; and,

WHEREAS, the Agency will be receiving bond proceeds prior to the end of the fiscal year; and,

WHEREAS, the Coffee Creek District debt service fund has sufficient cash balances to allow for repayment of the amounts borrowed without violation of the terms of outstanding senior debt liens,

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE HEREBY RESOLVES AS FOLLOWS:

1. To enter into the Agreement with the City of Wilsonville for the purpose of funding the construction of the public projects recited above and for the receipt and repayment of up to \$500,000 plus interest at the rate of 1.8% per annum on a 365-day basis in accordance with the terms specified in the Agreement. Borrowing will be deposited into the Agency’s capital project funds and repayments will be made from the Agency’s debt service funds.

A copy of the Agreement is marked as **Exhibit A**, attached hereto and incorporated by reference as if fully set forth herein.

2. To authorize the Agency Executive Director, or designee, to negotiate any and all documents to complete the Agreement and transactions related to the borrowing and repayment.
3. Effective Date of the Resolution shall be immediately upon its adoption.

ADOPTED by the Urban Renewal Agency of the City of Wilsonville at a regular meeting thereof this 20th day of July, 2020 and filed with the Wilsonville City Recorder this same date.

Tim Knapp, Board Chair

ATTEST:

Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Board Chair Knapp
Board Member Akervall
Board Member Lehan
Board Member West
Board Member Linville

Exhibit:

- A. Intergovernmental Agreement Between the City and the Urban Renewal Agency

INTERGOVERNMENTAL LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$500,000, FROM THE CITY OF WILSONVILLE TO THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE FOR THE PURPOSE OF FUNDING APPROVED PROJECTS IN THE COFFEE CREEK AREA PLAN

THIS INTERGOVERNMENT AGREEMENT entered into between the City of Wilsonville, an Oregon municipal corporation (the City), and the Urban Renewal Agency of the City of Wilsonville, Oregon, Oregon quasi-municipal corporation (the Agency),

RECITALS

WHEREAS, the Agency is a public body, corporate and politic, duly activated by the City, exercising its powers to engage in urban renewal activity as authorized by ORS Chapter 457; and

WHEREAS, the Year 2000 Plan district (the “District“) was duly established on May 4, 1992, and the Year 2000 Plan (the “Plan“) was adopted on August 29, 1990, setting out goals, objectives and projects (the “Projects“) for the Area; and

WHEREAS, the West Side district (the “District“) was duly established on November 3, 2003, and the West Side Plan (the “Plan“) was adopted on November 3, 2003, setting out goals, objectives and projects (the “Projects“) for the Area; and

WHEREAS, the Coffee Creek Area district (the “District“) was duly established on October 17, 2016, and the Coffee Creek Area Plan (the “Plan“) was adopted on October 17, 2016, setting out goals, objectives and projects (the “Projects“) for the Area; and

WHEREAS, the Board of the Urban Renewal Agency has determined that a need exists to borrow funds for the Projects, to be repaid with tax increment financing; and

WHEREAS, Oregon Revised Statutes 457 and Oregon Constitution Article IX, Section 1(c) authorizes the Urban Renewal Agency to incur debt for the purpose of financing projects of an urban renewal plan, and to repay the debt and related costs with tax increment revenue; and

WHEREAS, the City of Wilsonville has approved a maximum indebtedness for the Coffee Creek Area District of \$67,000,000. The Agency has previously issued \$3,800,000 of long indebtedness that is subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the District to which the maximum indebtedness limitation applies. As a result the Agency has \$63.2 million of capacity (before issuance of the referenced borrowing of this Agreement) to incur indebtedness for the District, and

WHEREAS, ORS 294.468 authorizes a municipality to lend unrestricted money from its general fund to other funds of the municipal corporation if authorized by resolution of the governing body, and

WHEREAS, the City and Agency have determined that financing the Projects through an intergovernmental agreement as allowed by ORS 190.010, is more cost efficient than external financing methods, is financially feasible, and is in the best interest of both parties.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1: Term and Termination. This agreement shall become effective upon the date of the last signature hereon, and shall continue in full force and effect until the loan is paid in full.

Section 2: Delegation. The Designated Representatives, or a person(s) assigned by the Designated Representatives, may, on behalf of the City or Agency, act without further action by the Council, to establish the final principal amounts.

Section 3: Duties of the City. The City shall authorize all actions and execute all documents necessary or desirable to loan up to \$500,000 from the City's General Fund to the Agency's capital project funds as delineated in Section 5, and comply with the laws of the State of Oregon, including the terms and conditions contained within this Agreement. The Agency shall reimburse the City for its expenses incurred in the performance of this Agreement.

Section 4: Duties of the Agency. The Agency shall authorize all actions and execute all documents necessary or desirable to accept the loan, authorize repayment of the loan under the terms and conditions stated herein, and comply with the laws of the State of Oregon, applicable Urban Renewal Plans. The Agency shall be responsible for its expenses incurred in the performance of this agreement and of its activities contemplated herein.

Section 5: Loan Terms. The Loan shall be made from the City’s General Fund to the Agency’s Coffee Creek Area Plan Capital Improvement Fund in the principal amount as noted below. The City shall transfer up to \$500,000 in aggregate on or before July 21, 2020, as follows:

Coffee Creek Area Plan Capital Improvement Fund	<u>\$500,000</u>
Total	\$500,000

Interest on the loan, at a rate of 1.8 percent (1.8%) shall begin to accrue on the date of transfer and the corresponding loan plus accrued interest shall be repaid by each District not later than July 22, 2020.

Section 6: Consideration. In consideration of the terms and conditions set forth herein, the City agrees to loan up to \$500,000 in exchange for the Agency’s obligation to repay the loan solely from the tax increment revenues of the corresponding urban renewal districts. The lien of this pledge shall be subordinate to the lien of any currently outstanding senior lien bonds and to any requirement to fund or maintain debt service funds, reserve funds or similar funds or as part of minim balances or similar requirements for those senior lien bonds.

Section 7: Indemnification. Subject to the limitations in the Oregon Constitution and the Oregon Tort Claims Act, the parties agree to defend, indemnify and hold each other, its officers, agents and employees harmless from all claims, suits, or actions of whatsoever hind, which arise out of or result from the transfer of funds.

Section 8: Modification. This agreement may not be altered, modified, supplemented or amended in any manner whatsoever except by mutual agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Section 9: Waiver. No provision of the agreement may be waived except in writing by the party waiving compliance. No waiver of any provision of the Agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or of any other provision.

Section 10: Severability. The parties agree that if any term or provision of the Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term and provision held to be invalid.

Section 11: Designated Representative. The City authorizes the City Manager or the City Manager’s designee to act on behalf of the City under this agreement. The Agency authorizes the Executive Director of the Agency or the Executive Director’s designee to act on behalf of the Agency under this Agreement.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law.

CITY OF WILSONVILLE

Bryan Cosgrove
City Manager of the City of Wilsonville, Oregon

Date

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, OREGON

Bryan Cosgrove
Executive Director of the Urban Renewal
Agency of the City of Wilsonville, Oregon

Date