

RESOLUTION NO. 2080

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING A LOAN OF UP TO \$4.2 MILLION TO THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE TO FINANCE REAL PROPERTY ACQUISITION IN THE YEAR 2000 URBAN RENEWAL AREA AND AN INTERGOVERNMENTAL AGREEMENT EVIDENCING THE LOAN.

WHEREAS, the Urban Renewal Agency of the City of Wilsonville (the "Agency") desires to acquire certain real property within the Year 2000 Plan Area (the "Area"); and,

WHEREAS, real property acquisition (the "Project") was included in a substantial plan amendment for the Area approved by the City Council and Urban Renewal Board on August 20, 2007; and,

WHEREAS, the Area's capital projects fund will not have sufficient cash on hand to finance the Project upon expected closing in October 2007; and,

WHEREAS, the General Fund of the City of Wilsonville (the "City") has sufficient funds that it may lend to the Agency.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

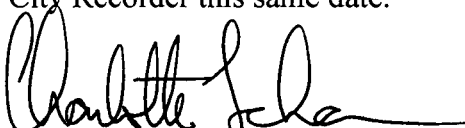
1. To authorize a loan to the Agency's Area in an amount up to \$4,200,000 to finance the Project (the "Loan").
2. To authorize the Finance Director, or the Finance Director's designee (each of whom is described in this resolution as a "City Official") to:
 - (A) Enter into an intergovernmental agreement (the "Intergovernmental Agreement") with the Agency to evidence the Loan and obligate the Agency to pay tax increment revenues from the Area to the City in amounts sufficient to pay principal and interest on the Loan. The pledge of the tax increment revenues to pay amounts due under the Intergovernmental Agreement shall be subordinate to the pledge that secures the outstanding borrowings for the Area and future borrowings issued on a parity with those

bonds. Subject to the limitations of this resolution, the Intergovernmental Agreement may be in such form and contain such terms as the City Official may approve. A copy of the Intergovernmental Agreement is provided at Attachment A.

- (B) Determine the payment terms, interest rate, and other terms at which the Agency shall repay Loan.
- (C) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

3. To the use of available resources from the "Future Needs" category of designated contingency (\$2,058,762) and the balance from undesignated contingency (\$2,141,238).

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 15th day of October 2007, and filed with Wilsonville City Recorder this same date.



CHARLOTTE LEHAN, Mayor

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Lehan	Yes
Member Knapp	Yes
Member Ripple	Excused
Member Kirk	Yes
Member Núñez	Excused

**INTERGOVERNMENTAL AGREEMENT
EVIDENCING LOAN**

by and between the

Urban Renewal Agency of the City of Wilsonville, Oregon

and the

City of Wilsonville, Oregon

Dated as of October 15, 2007

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INTERGOVERNMENTAL AGREEMENT EVIDENCING LOAN

This Intergovernmental Agreement Evidencing Loan is dated as of October 15, 2007, and is entered into by and between the Urban Renewal Agency of the City of Wilsonville, Oregon (the "Agency") and the City of Wilsonville, 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 Intergovernmental Agreement which are defined in this Section 1.1 shall have the following meanings:

"Area" means the Year 2000 Urban Renewal Area.

"Loan" means the loan evidenced by this Intergovernmental Agreement in the amount of \$4,200,000 from the City's general fund to the Agency to finance the Project.

"Outstanding Bonds" means the Agency's \$10,000,000 Year 2000 Urban Renewal Area Urban Renewal Bond, Series 2003 dated December 12, 2003 sold to Bank of America, N.A., the Agency's \$10,000,000 Year 2000 Urban Renewal Area Urban Renewal Bond, Series 2005 dated September 28, 2005 sold to Bank of the West, and any subsequent borrowings issued on a parity with those bonds pursuant to Section 5 of URA Resolution Nos. 104 and 139.

"Payments" means the principal and interest payments the Agency is required to make to the City pursuant to this Intergovernmental Agreement.

"Plan" means the Urban Renewal Plan for the Area dated August 29, 1990 as amended on August 20, 2007.

"Project" means the acquisition of certain real property within the Area.

"Subordinate Indebtedness Account" means the account of that name established in the resolutions authorizing the Outstanding Bonds.

"Tax Increment Fund" means the means the account of that name established in the resolutions authorizing the Outstanding Bonds.

"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 agrees to make the Loan on the date of this Intergovernmental Agreement.

- B. The Agency agrees to repay the Loan pursuant to the terms of this Intergovernmental Agreement.
- C. The Project is properly described as an urban renewal project in the Plan for the Area.
- D. The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Project.
- E. The City originally approved a maximum indebtedness for the Area of \$53,851,923. By substantial amendment to the Plan, the City increased the maximum indebtedness for the Area to \$92,687,423 in August 2007. The Agency has previously issued \$53,785,000 of long and short term indebtedness, leaving the Agency \$38,902,423 of capacity (excluding refinancings) to incur indebtedness for the Area.
- F. The Project will assist the Agency in carrying out its Plan.

2. The Payments.

2.1 The Payments.

2.1.1. The Loan will be repaid by the Area no later than October 15, 2012. The principal and interest may be repaid in periodic increments or as a lump sum by October 15, 2012 as cash flow permits within the Area.

2.1.2 The Loan shall bear interest at the rate of 5.30% per annum , calculated on a 30/360 day basis until repaid.

2.2 Security for the Obligation of the Agency to Pay the Payments.

2.2.1 This Intergovernmental Agreement shall constitute an indebtedness of the Agency.

2.2.2 The Agency hereby pledges the Tax Increment Revenues to pay the amounts described in Section 2.1 of this Intergovernmental Agreement. This pledge shall be subordinate to the pledge of Tax Increment Revenues that secures the Outstanding Bonds. 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.

2.2.3. The amounts described in Section 2.1 of this Intergovernmental Agreement are not payable from any account of the Tax Increment Fund except the Subordinate Indebtedness Account.

3. Miscellaneous

3.1 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.

3.2 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.

3.3 Amendments.

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

3.4 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.

3.5 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 Clackamas County, Oregon.

3.6 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.

3.7 Headings.

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

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

**Urban Renewal Agency of the City of
Wilsonville, Oregon**

Gary Wallis, Finance Director

City of Wilsonville, Oregon

Gary Wallis, Finance Director