

McMINNVILLE URBAN RENEWAL AGENCY MEETING
McMinnville, Oregon

AGENDA

McMINNVILLE CIVIC HALL
200 NE SECOND STREET

September 27, 2016
7:00 p.m. - Urban Renewal Agency Meeting

Welcome! All persons addressing the Agency will please use the table at the front of the Board Room. All testimony is electronically recorded. Public participation is encouraged. If you desire to speak on any agenda item, please raise your hand to be recognized after the Mayor calls the item.

CALL TO ORDER

1. RESOLUTIONS
 - a. **Resolution No. 2016 - 6**: Authorizing indebtedness for capital projects described in the McMinnville Urban Renewal Plan
2. ADJOURNMENT



Urban Renewal Agency

Meeting Date: 09/27/2016

Subject:

From: Rose Lorenzen, Administrative
Assistant / HR Analyst

Information

AGENDA ITEM:

Resolution No. 2016 - 6: Authorizing indebtedness for capital projects described in the McMinnville Urban Renewal Plan

BACKGROUND:

Attachments

Resolution Authorizing IGA

RESOLUTION NO. 2016-6

A Resolution of the McMinnville Urban Renewal Agency, authorizing indebtedness for capital projects described in the McMinnville Urban Renewal Plan.

RECITALS:

WHEREAS, the McMinnville Urban Renewal Agency, Oregon (the "Agency") is authorized by ORS Chapter 457 to incur indebtedness to carry out the McMinnville Urban Renewal Plan, as it has been and may be amended (the "Plan") and by ORS Chapter 190 to enter into intergovernmental agreements; and

WHEREAS, the Agency has determined that a borrowing secured by the full faith and credit of the City of McMinnville, Oregon (the "City") will provide more beneficial terms to the Agency than a borrowing issued directly by the Agency and secured solely by the Agency's tax increment revenues; and

WHEREAS, the City has agreed to finance the cost of projects in the Plan ("Projects") in an amount not to exceed \$2,200,000 and wishes to pay the debt service from the tax increment revenues of the McMinnville Urban Renewal Area (the "Area"); and

WHEREAS, the Area is projected to have sufficient tax increment revenues to pay the debt service on the City's financing for the Projects; and

WHEREAS, the Agency is willing to commit tax increment revenues from the Area in amounts sufficient to pay up to \$2,200,000 in principal amount of financing for the Projects, plus interest; and

WHEREAS, the Agency has no borrowings outstanding that are secured by a lien on tax increment revenues of the Area; and

WHEREAS, the City has approved a maximum indebtedness for the Area of \$30,000,000, and a \$2,200,000 borrowing will not result in the Agency exceeding that limit; and

NOW THEREFORE BE IT RESOLVED, as follows:

1. Intergovernmental Agreement Authorized. The Agency Board hereby authorizes the Agency to enter into an intergovernmental agreement with the City that obligates the Agency to pay up to \$2,200,000 in principal amount, plus interest, to finance the Projects and pay costs of issuance of the financing. The intergovernmental agreement shall constitute indebtedness of the Agency that is payable solely from the tax increment revenues of the Area and interest earnings on those tax increment revenues. The intergovernmental agreement shall be in substantially the form attached to this Resolution as Exhibit A but with such changes as are approved pursuant to Section 2.

2. Delegation. The City Manager, the Finance Director of the City, or a person designated by the City Manager or Finance Director to act under this Resolution is hereby authorized, on behalf of the Agency and without further action by the Agency Board to negotiate the final terms of and execute the intergovernmental agreement described in Section 1 of this Resolution, and to execute any documents and take any other actions that are desirable to assist the City in financing the Projects.

3. Effective Date. This Resolution is effective immediately upon adoption.

Adopted by the McMinnville Urban Renewal Agency Board at a regular meeting held the ____ day of _____ 2016 by the following votes:

Ayes: _____

Nays: _____

Approved this ____ day of _____ 2016.

Chair of the Urban Renewal Board

Approved as to Form:

CITY ATTORNEY

**Exhibit A:
Form of
Intergovernmental Agreement
to Make Financing Payments**

by and between the

McMinnville Urban Renewal Agency, Oregon

and the

City of McMinnville, Oregon

Dated as of _____, 2016

TABLE OF CONTENTS

Section 1. Definitions and Recitals.....	1
(1) Definitions.....	1
(2) Findings.....	1
Section 2. The Financing Payments.....	2
(1) The Financing Payments.....	2
(2) Security for the Obligation of the Agency to Pay the Financing Payments.....	2
Section 3. Prepayment.....	2
Section 4. Estoppel.....	2
Section 5. Title.....	2
Section 6. Miscellaneous.....	3
(1) Binding Effect.....	3
(2) Severability.....	3
(3) Amendments.....	3
(4) Execution in Counterparts.....	3
(5) Applicable Law.....	3
(6) Rules of Construction.....	3
(7) Headings.....	3

Intergovernmental Agreement to Make Financing Payments

This Intergovernmental Agreement to Make Financing Payments is dated as of _____, 2016, and is entered into by and between the McMinnville Urban Renewal Agency, Oregon (the “Agency”) and the City of McMinnville, 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 that are defined in this Section 1(1) shall have the following meanings:

“Area” means the McMinnville Urban Renewal Area described in the Plan.

“Financing Agreement” means the Financing Agreement (Urban Renewal Projects) between the City and _____ in the principal amount of \$_____ to finance the Projects, which is dated as of _____, 2016.

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

“Plan” means the McMinnville Urban Renewal Plan approved by City Ordinance 4972, as that plan has been, and may in the future be, amended.

“Projects” means a portion of the projects described in the Plan, consisting of the Alpine Avenue projects.

“Tax Increment Revenues” means all revenues that the Agency collects for the 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 Financing Agreement to finance costs of the Projects and to pay costs of issuance.

(B) The Projects are properly described as urban renewal projects in the Plan.

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

(D) The Projects will assist the Agency in carrying out the Plan.

(E) The Agency will only spend the proceeds it receives from the City on the Projects so long as the Projects are described in the Plan, located in the Area, and are owned by the City or the Agency.

- (F) The Agency has \$_____ of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

Section 2. The Financing Payments.

- (1) The Financing 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 Financing Payments, amounts that are equal to the Financing Payments in a maximum principal amount of \$_____. The amounts and dates of the Financing Payments are shown in Exhibit A.

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

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. The pledge that secures this Intergovernmental Agreement 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 or to grant a lien on the Tax Increment Revenues on parity. However, the pledge that secures this Intergovernmental Agreement shall have a lien on Tax Increment Revenues that is equal to the lien that secures other indebtedness of the Agency issued to the City and secured by a pledge of the Tax Increment Revenues.

Section 3. Prepayment.

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

Section 4. Estoppel.

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency that is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

Section 5. Title.

Neither the City nor the owner of the Financing Agreement shall have a lien on or security interest in the Projects.

Section 6. 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 Yamhill County, Oregon.

(6) Rules of Construction.

References to section numbers in documents that 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 McMinnville Urban Renewal Agency,
Oregon**

Authorized Officer

For the City of McMinnville, Oregon

Authorized Officer

EXHIBIT A

Financing Payment Schedule

Interest at the rate of _____%, calculated on a _____ basis, is payable _____ on _____ 1 and _____ 1 commencing _____ 1, 20___. Principal is payable according to the following schedule:

Date Principal