

RESOLUTION NO. 2023-59

A Resolution approving an intergovernmental agreement between the City of McMinnville and the McMinnville Urban Renewal Agency for the financing to purchase tax lots R4421BA03800 and R4421BA03805 (904 NE 10TH Street and 835 NE Alpine Avenue respectively to advance the goals and objectives of the McMinnville Urban Renewal Plan.

RECITALS:

Whereas, This Agreement is made pursuant to ORS Chapter 190 which permits local government units to enter agreements pursuant to ORS 190.010; and

Whereas, the Agency is charged with administering and implementing the McMinnville Urban Renewal Plan ("Plan"), as adopted by the Agency Board on July 23, 2013, and will be engaging in redevelopment activities to carry out the Plan; and

Whereas, on April 14, 2015, the City and the Agency entered into an intergovernmental agreement ("2015 IGA") authorizing the City to assist the Agency in the planning and carrying out of the Urban Renewal Plan (the "Plan") by providing all administrative and development services necessary and proper for carrying out the Agency's functions and the Plan, pursuant to ORS 457.320; and

Whereas, an opportunity to advance goals in the Plan such as Goal 3 to encourage the unique district identity of the NE Gateway as a place for people to live, work and play; Goal 8 for development and redevelopment; and, potentially, Goal 6 for affordable, quality housing by purchasing the Northwest Rubber industrial property (the "Property"), where its most recent industrial use has ceased operations, and preparing the site for redevelopment; and

Whereas, in support of the Agency's development goals, the City has entered into a purchase and sale agreement for the Property as described in City Resolution 2023-43; and

Whereas, the City hired an environmental consultant to conduct a Phase I, Phase II and Regulated Building Materials site assessments, and the City acknowledges the Phase I Environmental Site Assessment Report dated September 29, 2023, the Phase II Environmental Site Assessment Report dated September 29, 2023, and the Regulated Building Materials Survey dated September 29, 2023, for the properties at 904 NE 10th Avenue and 835 NE Alpine Avenue.

Whereas, the City anticipates the purchase price and an allowance for closing costs for the Property will be a maximum of \$4,350,000; and

Whereas, the City intends to authorize an interest-only, five-year interfund loan that is callable after two years between its Wastewater Capital Fund and General Fund at 5.05% interest per annum with no penalty on pre-payment of the loan during its term to pay for the property; and

Whereas, the Agency does have the capacity to utilize tax increment financing to reimburse the City's General Fund for the annual interest payments on the interfund loan which is for purposes described in the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That the Mayor of McMinnville is authorized to sign the attached Intergovernmental agreement on behalf of the City of McMinnville (Exhibit A).
2. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 10th day of October, 2023 by the following votes:

Ayes: Chepoweth, Garvin, Geary, Menke, Payne

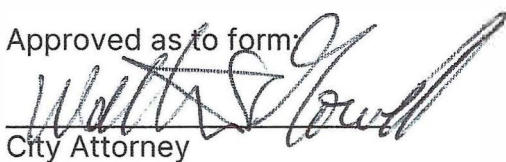
Nays: _____

Approved this 10th day of October 2023.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

EXHIBITS:

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

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF MCMINNVILLE
AND THE MCMINNVILLE URBAN
RENEWAL AGENCY**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into between the City of McMinnville, an Oregon municipal corporation established under ORS Chapter 221 ("City"), and the McMinnville Urban Renewal Agency ("Agency"), a municipal corporation established under ORS Chapter 457.

RECITALS:

WHEREAS, This Agreement is made pursuant to ORS Chapter 190 which permits local government units to enter agreements pursuant to ORS 190.010; and

WHEREAS, the Agency is charged with administering and implementing the McMinnville Urban Renewal Plan ("Plan"), as adopted by the Agency Board on July 23, 2013, and will be engaging in redevelopment activities to carry out the Plan; and

WHEREAS, on April 14, 2015, the City and the Agency entered into an intergovernmental agreement ("2015 IGA") authorizing the City to assist the Agency in the planning and carrying out of the Urban Renewal Plan (the "Plan") by providing all administrative and development services necessary and proper for carrying out the Agency's functions and the Plan, pursuant to ORS 457.320; and

WHEREAS, an opportunity to advance goals in the Plan such as Goal 3 to encourage the unique district identity of the NE Gateway as a place for people to live, work and play; Goal 8 for development and redevelopment; and, potentially, Goal 6 for affordable, quality housing by purchasing the Northwest Rubber industrial property (the "Property"), where its most recent industrial use has ceased operations, and preparing the site for redevelopment; and

WHEREAS, in support of the Agency's development goals, the City has entered into a purchase and sale agreement for the Property as described in City Resolution 2023-43; and

WHEREAS, the City hired an environmental consultant to conduct a Phase I, Phase II and Regulated Building Materials site assessments, and the City acknowledges the Phase I Environmental Site Assessment Report dated September 29, 2023, the Phase II Environmental Site Assessment Report dated September 29, 2023, and the Regulated Building Materials Survey dated September 29, 2023, for the properties at 904 NE 10th Avenue and 835 NE Alpine Avenue.

WHEREAS, the City anticipates the purchase price and an allowance for closing costs for the Property will be a maximum of \$4,350,000; and

WHEREAS, the City intends to authorize an interest-only, five-year interfund loan that is callable after two years between its Wastewater Capital Fund and General Fund at 5.05% interest per annum with no penalty on pre-payment of the loan during its term to pay for the property; and

WHEREAS, the Agency does have the capacity to utilize tax increment financing to reimburse the City's General Fund for the annual interest payments on the interfund loan which is for purposes described in the Plan

NOW, THEREFORE, THE CITY OF McMinnville AND THE McMinnville Urban Renewal Agency Agree as follows:

1. The Agency will reimburse to the City's General Fund the actual interest due on the interfund loan on the day that the loan was issued each year starting in 2024 for the duration of the active loan period, a maximum of five (5) years from 2024 until 2028
2. The annual debt service reimbursement amount will not exceed \$219,675, the interest only amount of the maximum interfund loan total of \$4,350,000
3. In the event that the Wastewater Capital Fund calls the loan, it will be the responsibility of the City to make the principal portion of the final payment.
4. In the event that the Wastewater Capital Fund calls the loan, it will be the responsibility of the Agency to make the interest portion of the final payment.
5. In the event that the City opts to repay the interfund loan prior to the end of its five-year term, it will be the responsibility of the City to make the principal portion of the final payment, subject to any negotiated sharing of such payment of the principal portion of the loan based upon any re-sale of the Property.
6. In the event that the City opts to repay the interfund loan prior to the end of its five-year term, it will be the responsibility of the Agency to make the interest portion of the final payment.
7. This Agreement may be modified by mutual written consent of the parties. Any modification to a provision of this Agreement shall have no effect upon other provisions in this Agreement unless stated in writing.
8. Both parties agree to make good faith efforts to informally resolve any dispute relating to this Agreement. If any dispute is not resolved informally, the agencies agree that the dispute will be exclusively settled by binding arbitration under Oregon law, however by consent of the agencies, formal mediation shall be considered prior to demand to initiate arbitration.
9. This agreement take effect as soon as it is approved by the governing body of each party. It contains all the agreements of City and Agency on this subject. Either agency may at any time request a meeting with the other within 30 days of the request to discuss any provision.
10. This Agreement shall automatically terminate upon the final payment of the loan in

full, unless amended to extend the Term prior to that date.

11. Notices under this Agreement shall be given in writing by personal delivery, facsimile, email or by regular or certified mail to the person identified in this Section, or to such other person or at such other address as either party may hereafter indicate pursuant to this Section. Any notice delivered personally shall be deemed received upon delivery. Notice by facsimile shall be deemed given when receipt of the transmission is generated by the transmitting machine. Notice by email is deemed received upon a return email or other acknowledgment of receipt by the receiver and notice by certified or registered mail is deemed received on the date the receipt is signed or delivery is refused by the addressee.
12. Entire Agreement; Approval of Agreement. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof. Except as may be expressly provided herein, no alteration of any of the terms or conditions of this Agreement will be effective without the written consent of both parties. This agreement has been duly approved for execution by the governing body of a party executing this Agreement.
13. Effective Date. The effective date of the agreement is the latest date it is executed by the parties below.

WHEREAS, all the aforementioned is hereby agreed upon by the parties and executed by the duly authorized signatures below.

City of McMinnville

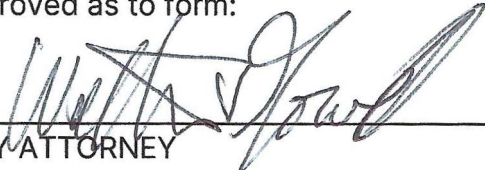


10/10/2023

Mayor

Date

Approved as to form:



CITY ATTORNEY

McMinnville Urban Renewal Agency



10/10/2023

Chair of Board

Date

Attest:



CITY RECORDER