



# Molalla City Council – Special Meeting Agenda

Meeting located at: Molalla City Hall  
117 N. Molalla Ave, Molalla, OR 97038

November 19, 2014

**Business meeting will begin at 6:30PM.** The Council has adopted Public Participation Rules. Public comment cards are available at the entry desk. Request to speak must be turned into to the Mayor prior to the start of the regular Council meeting.

Executive Session After the regular meeting

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1. **CALL TO ORDER – 1,048<sup>th</sup> Regular Meeting**

- A. Call the meeting to order
- B. Flag Salute and Roll Call

2. **COMMUNICATIONS AND PUBLIC COMMENT**

- A. Minutes: November 12, 2014 - Motion to Approve

3. **AWARDS, RECOGNITIONS & PRESENTATIONS**

4. **PUBLIC HEARINGS**

5. **NEW BUSINESS**

- A. Transfer Trout Creek Water Rights to the Molalla River – Jen Cline

6. **CONTINUING BUSINESS**

7. **RESOLUTIONS**

- A. Resolution 2014-14: A Resolution of the city of Molalla, Oregon authorizing Financing of Urban Renewal Projects - Huff/Penni

8. **ORDINANCES**

9. **PROCLAMATIONS**

10. **REPORTS AND ANNOUNCEMENTS**

- A. City Manager/Staff Reports – Dan Huff
  - Council and Town Hall Meeting – December 10<sup>th</sup>
  - No Council meeting on November 26<sup>th</sup> due to the holiday
  - Council Training – January 2015

11. **EXECUTIVE SESSION**

ORS 192.660(2)(f) to consider information or records that are exempt from disclosure by law.

12. **ADJOURNMENT**

Minutes of the Molalla City Council Regular Meeting  
Molalla City Hall  
117 N. Molalla Ave., Molalla, OR 97038  
Wednesday November 12, 2014

**ATTENDANCE:** Mayor Rogge, Present; Councilor Pottle, Present; Councilor Clark, Present; Councilor Thompson, Present; Councilor Griswold, Present; Councilor Boreth, Present; Councilor Cook, Present.

**STAFF IN ATTENDANCE:** City Manager Dan Huff, Present; City Recorder Sadie Cramer, Present; Finance Director Heather Penni, Present; Public Works Director Jennifer Cline, Present.

**COMMUNICATIONS AND PUBLIC COMMENT:**

**A. Minutes – October 22, 2014**

Councilor Cook made a motion to accept the minutes from October 22, 2014. Councilor Boreth seconded. Motion approved (7-0) Mayor Rogge, Aye; Councilor Thompson, Aye; Councilor Pottle, Aye; Councilor Clark, Aye; Councilor Griswold, Aye; Councilor Boreth, Aye; Councilor Cook, Aye.

**B. Library Minutes – Information Only**

**AWARDS, RECOGNITIONS & PRESENTATIONS**

**A. Citizen Accommodation: Police Chief**

Police Chief Lucich read and gave a letter of commendation to Jeff Rose, a Molalla citizen who assisted Sgt. Shelly.

**NEW BUSINESS**

**A. PH and Temperature Monitoring Project**

PWD Cline explained that the City's NPDES permit requires that new monitoring system be installed at the Wastewater Treatment Plant. Two of the monitors will

be for PH and the third will be a temperature monitor. The City solicited bids for installation, the low bid was Industrial Systems.

Councilor Boreth asked if the City is satisfied with prior work done by Industrial Systems. He was advised that they have been satisfied.

Councilor Griswold asked if this is a new requirement for the City. DPW Cline advised that every 5 years the City is required to reapply for the NPDES permit, it was determined at this time that the new monitoring system is required in order to have the permit approved.

Councilor Thompson made a motion to accept the bid of \$24,730 with a notification to advise council if it exceeds \$5,000 over bid. Councilor Clark seconded. Motion approved (7-0) Mayor Rogge, Aye; Councilor Thompson, Aye; Councilor Pottle, Aye; Councilor Clark, Aye; Councilor Griswold, Aye; Councilor Boreth, Aye; Councilor Cook, Aye.

#### **B. OLCC Application – Passadora’s Pizza**

Councilor Pottle made a motion to approve the OLCC Application. Councilor Thompson seconded. Motion approved (7-0) Mayor Rogge, Aye; Councilor Thompson, Aye; Councilor Pottle, Aye; Councilor Clark, Aye; Councilor Griswold, Aye; Councilor Boreth, Aye; Councilor Cook, Aye.

### **RESOLUTIONS**

#### **A. Resolution 2014-13: A Resolution of the Molalla City Council Adopting a City Fund Balance Policy as required by GASB 54**

Councilor Thompson made a motion to adopt Resolution 2014-13. Councilor Griswold seconded. Motion approved (7-0) Mayor Rogge, Aye; Councilor Thompson, Aye; Councilor Pottle, Aye; Councilor Clark, Aye; Councilor Griswold, Aye; Councilor Boreth, Aye; Councilor Cook, Aye

## **B. Resolution 2014-14: A Resolution Authorizing Financing of Urban Renewal Projects**

This Resolution will come before council at a later date.

### **REPORTS & ANNOUNCEMENT**

CM Huff advised that a Town Hall meeting is scheduled for December 10, 2014.

The second council meeting in November is scheduled for November 19<sup>th</sup> due to the Thanksgiving holiday.

CM Huff stated that he had a meeting with ODOT. Discussions included items beyond the state transportation improvement program in regards to Hwy 211. Some other items include ADA compliance, abandoned driveways, storm drainage, pedestrian access and how to begin the process for a traffic light at Toliver and Hwy 213. It was also discussed to have a speed zone study done in Molalla.

Mayor Rogge explained that there are some projects that can begin in the near future. A pedestrian crosswalk at Stoneplace Apartments is one of those projects that can be studied.

PWD Cline advised that she is working with PGE to complete some repairs so the Christmas lights can be hung.

Councilor Boreth gave highlights from the C-4 meeting.

Councilor Cook advised that he attended a tour of the YMCA in Sherwood. He shared that they received good information regarding the pool.

Councilor Griswold thanked the Mayor and the community for their support in the Veterans Day program.

Finance Director Penni gave an update on the tour of the YMCA. She stated that the facility serves approx. 10,000 patrons per year, 21% of which required assistance with their membership dues.

Councilor Pottle stated that the Friends of the Pool were also in attendance for the tour of the YMCA.

He also stated that he attended the Middle School Veterans Day ceremony.

Mayor Rogge stated that she attended the Elementary School Veterans Day ceremony. She commended Mike Clarke for preparing a great ceremony.

**ADJOURNMENT**

Councilor Boreth made a motion to adjourn. Councilor Pottle seconded. Motion approved (7-0) Mayor Rogge, Aye; Councilor Pottle, Aye; Councilor Clark, Aye; Councilor Thompson, Aye; Councilor Griswold, Aye; Councilor Boreth, Aye; Councilor Cook, Aye

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Sadie Cramer, City Recorder

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Mayor Debbie Rogge

# City Of Molalla

## City Council Meeting

### Agenda Category: New Business

**Subject:** Transfer Trout Creek Water Rights to the Molalla River

**Recommendation:** Council Approval

**Date of Meeting to be Presented:** November 19, 2014

**Fiscal Impact:** Estimated \$17,500.00

**Background:**

The September 07, 1999 certificate of Water Right 7202 perfected under Permit No. 4980 was canceled by the State of Oregon in pursuant of the Special Order transferring the water rights from Trout Creek tributary to the Molalla River at the authorized point of diversion: SE1/4 SE1/4, SECTION 6, T 6 S, R 3 E, WM; N 35° 30' W, 810 FEET FROM THESE CORNER, SECTION 6, or its equivalent in case of rotation, measured at the point of diversion from the source.

The change to this existing water right may be made provided that the following conditions itemized in the Special Order are met by the water user. See attached Special Order for Details.

The proposed estimate to meet the conditions and transfer the rights are detailed in the attached email from Curran-McLeod not to exceed \$17,500.00.

SUBMITTED BY: Jennifer Cline, Public Works Director

APPROVED BY: Dan Huff, City Manager

## Jennifer Cline

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**From:** Hassan Ibrahim <hai@curran-mcleod.com>  
**Sent:** Wednesday, November 12, 2014 12:30 PM  
**To:** 'Jennifer Cline'  
**Cc:** pdc@curran-mcleod.com  
**Subject:** RE: Streets and Water SDC project descriptions

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Jennifer,

In regard to the "Transfer of Trout Creek Water Rights to Molalla River & Installing Trout Creek Flow Monitoring Station" work, the cost is as outlined below:

Trout Creek Water Rights Transfer	\$2,500
Trout Creek Monitoring Station:	
a. Field observation	\$750
b. Property/Easement/Access	\$6,000
c. Facilities Design to include Stream Measurement System Data Logger/ Solar Power Access Path/ Fencing /Security	\$8,250
Total Cost for our services	<b><u>\$17,500</u></b>

Please let us know how to proceed.

-----  
Hassan Ibrahim, P.E.  
CURRAN-McLEOD, INC.  
6655 SW Hampton St, Ste. 210  
Portland, OR 97223  
Tel: 503-684-3478  
Fax: 503-624-8247  
Cell: 503-807-2737  
email: [hai@curran-mcleod.com](mailto:hai@curran-mcleod.com)

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**From:** Hassan Ibrahim [mailto:hai@curran-mcleod.com]  
**Sent:** Wednesday, November 05, 2014 12:43 PM  
**To:** 'Jennifer Cline'  
**Cc:** 'Garrett Edmunds'; 'Heather Penni'  
**Subject:** RE: Streets and Water SDC project descriptions

Hi Jennifer,

Attached please find the engineering proposal for Section Street Reconstruction and the waterline replacement on W 3<sup>rd</sup>, W 4<sup>th</sup> & Metzler Ave. Please let us know how to proceed.

Regards,

CITY OF MOLALLA  
**WATER SYSTEM CAPITAL IMPROVEMENT PLAN**  
 BASED ON ENR CCI 9,668  
 January 2014

No.	PROJECT DESCRIPTION	PROJECT PRIORITY	ELIGIBLE COST	EDU CAPACITY	SDC COST PER EDU
<b>Source Development: Total Source Capacity 4.0 MGD (5,710 EDU)</b>					
1.	Transfer Trout Creek Water Rights to the Molalla River, Install Trout Creek flow monitoring Station	1-5 yrs	\$40,000	5,710	\$7.00
2.	Alternative Well Source Development in NW quadrant	6-10 yrs	\$300,000	5,710	52.53
3.	Molalla River Intake Capacity Expansion to 4.0 MGD	6-10 yrs	\$150,000	5,710	26.27
<b>Treatment Improvements: Total Ultimate Treatment Capacity 4.0 MGD (5,710 EDU)</b>					
4.	ECI Treatment Unit Process Piping Modifications, filter to waste, pumping equipment	6-10 yrs	\$60,000	5,710	1.51
5.	HVAC Improvements for power distribution room and office /lab facilities	6-10 yrs	\$15,000	5,710	2.63
6.	Molalla Forest Road / WTP Access Road Improvements	6-10 yrs	\$200,000	5,710	35.03
<b>Distribution System Improvements: MDD of UGB Build-out is 2.83 MGD (4,040 EDU)</b>					
7.	20" Parallel Transmission Piping, WTP to Adams Cemetery Road, est. 2,000 LF	1-5 yrs	\$240,000	6,800*	35.29
8.	<b>1996 Master Plan CIP Distribution System upgrades to the EXISTING system:</b>				
8.A	Patrol Street - 700 lf of 6" from dead end to Hwy 211	1-20 yrs	33,600	4,040	8.32
8.B	Cole street - 750 lf of 6" from E. 4th to E. Main Street	1-20 yrs	36,000	4,040	8.91



November 5, 2014

Ms. Jennifer Cline, P.E.  
City of Molalla, Public Works Director  
P.O. Box 248  
117 N Molalla Avenue  
Molalla, OR 97038

**RE: CITY OF MOLALLA  
W 4<sup>th</sup> ST, W 4<sup>th</sup> ST & METZLER AVE WATERLINE REPLACEMENT  
AND SECTION ST RECONSTRUCTION**

Dear Jennifer:

We appreciate the opportunity to assist the City of Molalla in providing a design engineering and construction management cost estimate for the above noted project components. We have reviewed the anticipated scope of work and are summarized as follows:

W 3<sup>rd</sup> Street between Lola Avenue and Berkley Avenue, the estimated length is 275 lineal feet, the work includes abandoning in-place the existing 4" diameter steel waterline and replacing it with a 6" PVC C900 waterline.

W 4<sup>th</sup> Street between Hart Avenue and Metzler Avenue, the estimated length is 325 lineal feet, the work includes abandoning in-place the existing 2" diameter steel waterline and replacing it with a 6" PVC C900 waterline. The City has purchased and will install the 6" pipe.

Metzler Avenue between Hwy 211(Main Street) and W 7<sup>th</sup> Street, the estimated length is 2,350 lineal feet, the work includes abandoning in-place the existing 6" diameter steel, AC and PVC waterline and replacing it with an 8" PVC C900 waterline.

The anticipated scope of work on Section Street between Hart Avenue and S. Molalla Avenue, includes full street reconstruction to City Local Street Standards that is composed of curb and sidewalks on both sides, sanitary sewer and storm collection system upgrade to a drainage outlet or existing storm system, reconstruction of Hart Avenue and Section Avenue intersection. We assume the water infrastructure is in acceptable condition. The approximate length of this component is 700 lineal feet.

Following is an estimate of all design phase engineering costs to be used as a budget guideline:

**Design Phase Engineering Cost Estimate:**

Research, Field Surveys	\$9,800
Roadway & Waterline Design (12 Sheets)	22,600
Contract Documents & Specifications	<u>3,400</u>
<b>Total Engineering Design Phase Cost</b>	<b>\$35,800</b>

Following is an estimate of all construction phase engineering costs to be used as a budget guideline:

**Construction Phase Engineering Cost Estimate:**

Bid Procedure	\$2,000
Construction Staking	6,800
Geotechnical / Field Testing	2,200
Contract Administration	4,600
Inspection, (total 6 weeks)	5,400
As-Built & Project Closeout	<u>3,400</u>
<b>Total Engineering Construction Phase Cost</b>	<b><u>\$ 24,400</u></b>

This work will be completed under the terms and conditions of the Engineer of Record or a stand alone contract at your discretion. The design engineering phase cost will be billed based on a lump sum and billed as percent complete while the construction engineering phase will be billed hourly based on the standard hourly rates schedule not to exceed the estimated cost amount.

Excluded from our estimates are the costs of publishing in the Daily Journal of Commerce, all permitting fees and BOLI fee. Those expenses will be billed directly to the City. Also excluded is the cost of appraisals and negotiation of easements if needed.

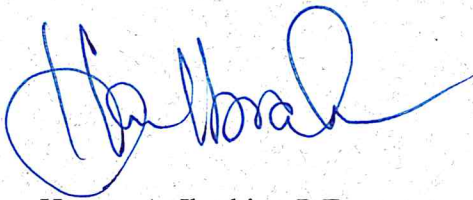
The design phase on this project can be accomplished within 60 days from the date of authorization to proceed and be ready to solicit bids in January or February 2015. We would anticipate the construction work can proceed through the early summer months with minimal impacts to the community.

Ms. Jennifer Cline  
November 5, 2014  
Page 3

If you have any questions or need anything additional or clarification , please call and we can meet with you and discuss at your convenience.

Very truly yours,

**CURRAN-McLEOD, INC.**

A handwritten signature in blue ink, appearing to read "H. Ibrahim", with a large, stylized initial "H" on the left.

Hassan A. Ibrahim, P.E.

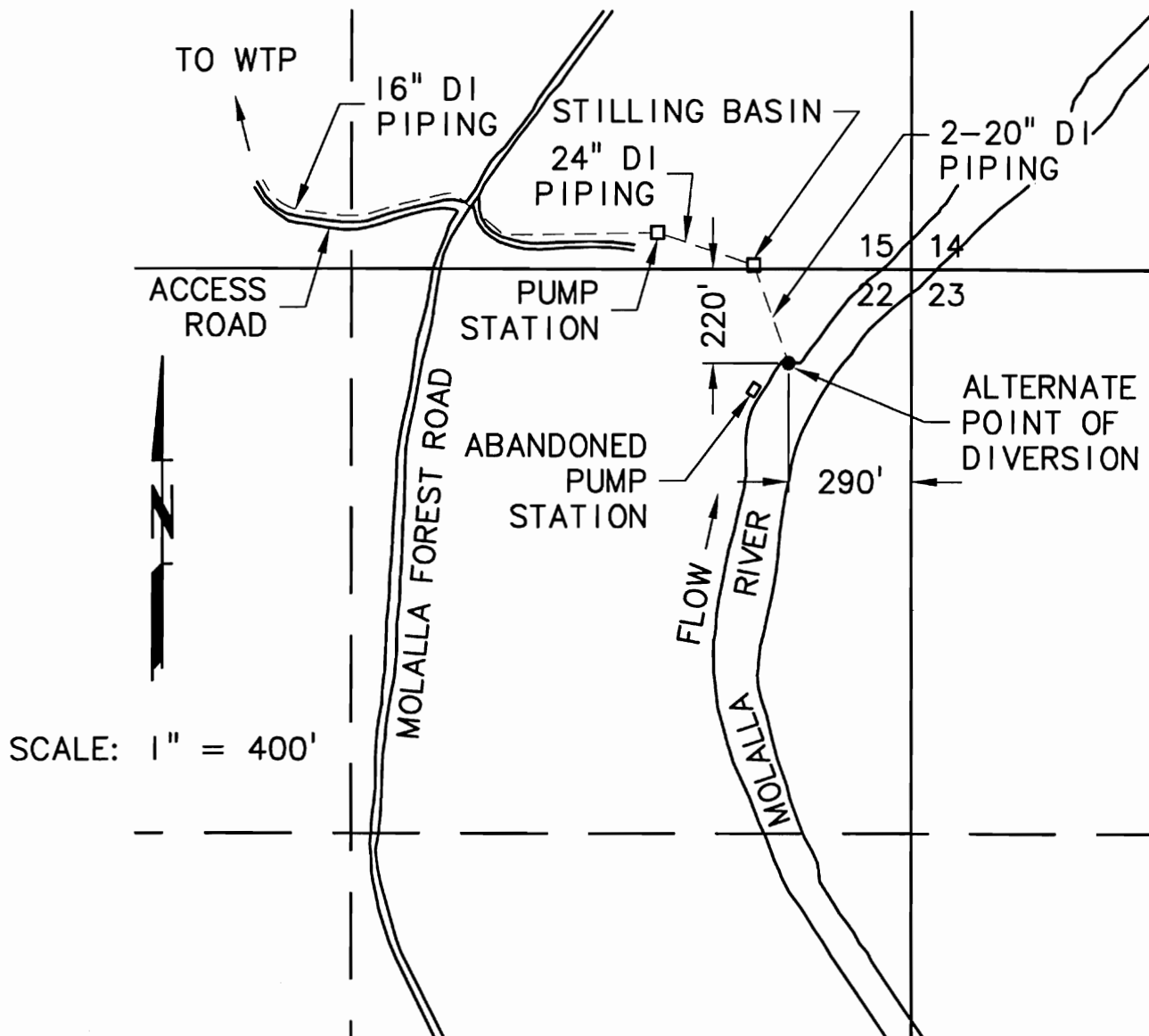
T.5S.,R.2E.,W.M.

AUG 2 5 1999

SECTION 22

WATER RESOURCES DEPT.  
SALEM, OREGON

ALTERNATIVE POINT OF DIVERSION FOR CERTIFICATE 7202



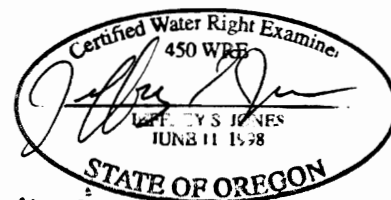
SCALE: 1" = 400'

APPLICATION FOR TRANSFER OF WATER RIGHT  
CERTIFICATE NO. 7202

IN THE NAME OF

CITY OF MOLALLA,  
OREGON

AUGUST 9, 1999



EXPIRES: 6/30/01

NOTE: This map is for the purpose of identifying the location of the water right only and is not intended to provide legal dimensions or locations of property lines.

STATE OF OREGON

COUNTY OF CLACKAMAS

ORDER APPROVING A CHANGE IN POINT OF DIVERSION

Pursuant to ORS 540.510 to 540.530, after notice was given and no objections were filed, and finding that no injury to existing water rights would result, this order approves, as conditioned or limited herein, TRANSFER 6319 submitted by

CITY OF MOLALLA  
P.O. BOX 248  
MOLALLA, OREGON 97038.

The right to be modified, as evidenced by Certificate 7202, was perfected under Permit 4980 with a date of priority of MARCH 11, 1921. The right allows the use of TROUT CREEK, a tributary of the MOLALLA RIVER, for MUNICIPAL USE. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 4.0 cubic foot per second, if available at the authorized point of diversion: SE $\frac{1}{4}$  SE $\frac{1}{4}$ , SECTION 6, T 6 S, R 3 E, WM; N 35° 30' W, 810 FEET FROM THE SE CORNER, SECTION 6, or its equivalent in case of rotation, measured at the point of diversion from the source.

The use shall conform to any reasonable rotation system ordered by the proper state officer.

The authorized place of use is within the corporate limits of the City of Molalla, Oregon, and along the pipe lines in T 5 S, R 2 E, WM, in Clackamas County, Oregon.

The right to use the water for the above purpose is restricted to beneficial use on the lands or place of use described

Notice: Under the provisions of OAR-690-004-0080, the applicant may petition for reconsideration of this order. The petition shall set forth specific grounds for reconsideration. The petition for reconsideration must be filed within 60 days after the date this order is served.

The applicant proposes to change the point of diversion to:

NE¼ NE¼, SECTION 22, T 5 S, R 2 E, WM; 220 FEET SOUTH AND 290 FEET WEST FROM THE NE CORNER, SECTION 22.

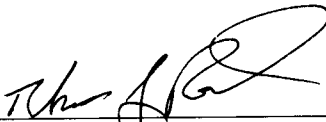
THIS CHANGE TO AN EXISTING WATER RIGHT MAY BE MADE PROVIDED THE FOLLOWING CONDITIONS ARE MET BY THE WATER USER:

1. The proposed change shall be completed on or before October 1, 2004.
2. The quantity of water diverted at the new point of diversion shall not exceed the quantity of water lawfully available at the original point of diversion.
3. The water user shall install and maintain a headgate, an in-line flow meter, weir, or other suitable device for measuring and recording the quantity of water diverted. The type and plans of the headgate and measuring device must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.
4. The water user shall install and maintain a suitable measuring device, including the capability for remote access of data, for measuring and recording the quantity of water available at the old point of diversion. The type and plans of the headgate and measuring device must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.
5. The water user shall operate and maintain the headgate and measuring devices, as needed. The water user shall report total flow figures when requested by the Watermaster. The Watermaster may operate the headgate and monitor the accuracy of the measuring devices, as needed.
6. Water shall be acquired from the same surface water source as the original point of diversion.

Certificate 7202 is canceled. A new certificate will be issued to confirm that portion of the right NOT involved in this transfer. When satisfactory proof of the completed change is received, a new certificate confirming this water right will be issued.

WITNESS the signature of the Water Resources Director,

affixed SEP 07 1999.

  
for Martha O. Pagel, Director

## STATE OF OREGON

COUNTY OF CLACKAMAS

## CERTIFICATE OF WATER RIGHT

This is to Certify, That CITY OF MOLALLA

of Molalla, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of Trout Creek a tributary of Molalla River for the purpose of Municipal under Permit No. 4980 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from March 11, 1921;

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 4.0 cubic feet per second;

The use hereunder for irrigation shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-eightieth of one cubic foot per second per acre, or its equivalent in case of rotation.

A description of the lands irrigated under the right hereby confirmed, and to which such right is appurtenant (or, if for other purposes, the place where the water is put to beneficial use), is as follows: Within the corporate limits of the City of Molalla, Oregon, and along the pipe lines in T. 5 S. R. 2 E. W. M., in Clackamas County, Oregon.

The right to the use of the water for irrigation purposes is restricted to the lands or place of use herein described.

Rights to the use of water for power purposes are limited to a period of forty years from the date of priority of the right, as herein set forth, subject to a preference right of renewal under the laws existing at the date of the expiration of the right for power purposes, as hereby confirmed and limited.

WITNESS the signature of the State Engineer,

affixed this 23rd day  
of June, 1927.

RHEA LUPER

State Engineer.

Recorded in State Record of Water Right Certificates, Volume 7, page 7202.



## RESOLUTION 2014-14

### CITY OF MOLALLA

#### A RESOLUTION OF THE CITY OF MOLALLA, OREGON AUTHORIZING FINANCING OF URBAN RENEWAL PROJECTS.

The City Council of the City of Molalla, Oregon, on the 19<sup>th</sup> day of November, 2014, during regular session for the transaction of City business:

WHEREAS: the City is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed, and to authorize obligations evidencing the right to receive the payments due from the City under those financing agreements; and

WHEREAS, it is desirable to obtain up to \$3,300,000 of financing for the costs of infrastructure projects described in The Molalla Urban Renewal Plan, as it has been and may be amended ( the "Projects"); and

WHEREAS, the Urban Renewal Agency of the City of Molalla (the "Agency") is projected to have sufficient tax increment revenues to pay the amounts due from the City in connection with the financing of the Projects, and will enter into an intergovernmental agreement with the City to use tax increment revenues to pay those amounts; and

WHEREAS, prior to issuance of the financing agreements the City or the Agency may incur certain capital expenditures (the "Expenditures") with respect to the Projects from available moneys of the City or the Agency; and

WHEREAS, any amounts advanced to pay the Expenditures prior to the issuance of the financing agreements are available only for a temporary period and it is necessary to reimburse the City or the Agency for the Expenditures from the proceeds of the financing agreements;

**NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES** as follows:

**Section 1. Determination of Need.** The City Council hereby determines that the Projects are needed.

**Section 2. Financing Authorized.** The City Council hereby authorizes the City to obtain up to \$3,300,000 in principal amount of financing for the Projects pursuant to ORS 271.390. Proceeds of the financing may be used to finance the Projects and to pay costs related to the financing.

**Section 3. Delegation.** The City Manager, the Finance Director, or the person designated by either of those individuals (each of whom is referred to herein as a "City

Official”) is hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Negotiate, execute and deliver one or more financing agreements (the “Financing Agreements”) to accomplish the financing authorized in Section 2. Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the City Official may approve.
- (2) Negotiate, execute and deliver one or more escrow agreements or similar documents (the “Escrow Agreements”) that provide for the issuance of one or more series of “full faith and credit obligations” (the “Obligations”) that represent ownership interests in the principal and interest payments due from the City under the Financing Agreements. Subject to the limitations of this Resolution, the Escrow Agreements and each series of Obligations may be in such form and contain such terms as the City Official may approve.
- (3) Deem final and authorize the distribution of a preliminary official statement for each series of Obligations, and authorize the preparation and distribution of a final official statement or other disclosure document for each series of Obligations.
- (4) Undertake to provide continuing disclosure for each series of Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- (5) Apply for ratings for each series of Obligations, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements for each series of Obligations, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
- (6) Enter into additional covenants for the benefit of the purchasers of the Obligations, including funding reserves, which the City Official determines are desirable to obtain more favorable terms for the Financing Agreements.
- (7) Engage the services of escrow agents or trustees and any other professionals whose services are desirable for the financing.
- (8) Determine the final principal amount of each Financing Agreement, the interest rate or rates which each Financing Agreement shall bear, the payment dates, the City’s prepayment rights and other terms of each Financing Agreement and each series of Obligations.
- (9) Solicit competitive bids for the purchase of the Obligations and award the sale to the bidders offering the most favorable terms to the City, select D.A. Davidson or other underwriters to purchase the Obligations and negotiate the terms of the sales of those Obligations with D.A. Davidson or other underwriters, or place any Financing Agreement directly with a commercial bank or other lender.

- (10) Issue any qualifying Financing Agreement as a “tax-exempt bond” bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the “Code”) and enter into covenants to maintain the excludability of interest on those Financing Agreements from gross income under the Code.
- (11) If federal law changes to allow federal tax credits, federal interest rate subsidies or other federal benefits for any Financing Agreements, issue any qualifying Financing Agreement as a “tax credit bond,” “federal subsidy bond” or other obligation that is eligible for federal tax credits, federal interest rate subsidies or other federal benefits, and enter into any covenants and take any actions that are required to qualify for those federal benefits.
- (12) Issue any Financing Agreement as a “taxable bond” bearing interest that is includable in gross income under the Code.
- (13) Designate any qualifying Financing Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
- (14) 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.

**Section 4. Payments from Tax Increment Revenues.** The City Official is authorized to enter into one or more intergovernmental agreements with the Agency, under which the City's Agency agrees to provide tax increment revenues in sufficient amounts to pay all amounts due from the City under the Financing Agreements. The intergovernmental agreements shall be in substantially the form attached to this resolution as Exhibit A, but with any changes the City Official may approve.

**Section 5. Security.** The Financing Agreements may constitute unconditional obligations of the City, which are payable from all legally available funds of the City. The City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution pursuant to ORS 287A.315. In addition, the City Official may pledge or assign any amounts that the City receives under the intergovernmental agreements described in Section 4 of this Resolution to pay the amounts due from the City under the Financing Agreements.

**Section 6. Reimbursement.** The City hereby states its intention and reasonable expectation to reimburse Expenditures of the Projects paid prior to the issuance of the Financing Agreements with proceeds of the Financing Agreements. This is intended to serve as official action of the City in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the City or the Agency paid prior to the date of issue of the Financing Agreements.

**Section 7. Effective Date.** This resolution is effective immediately upon adoption.

Dated this 19th day of November, 2014.

**City of Molalla, Oregon**

\_\_\_\_\_  
Debbie Rogge, Mayor

**Attest:**

\_\_\_\_\_  
Sadie Cramer, City Recorder

Exhibit A  
Form of Intergovernmental Agreement

**Intergovernmental Agreement  
to Make Financing Payments**

by and between the

**Molalla Urban Renewal Agency**

and the

**City of Molalla, Oregon**

Dated as of \_\_\_\_\_, 2015

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## **Intergovernmental Agreement to Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of \_\_\_\_\_, 2015, and is entered into by and between the Molalla Urban Renewal Agency, Oregon (the "Agency") and the City of Molalla, 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 Molalla 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 \_\_\_\_\_, 2015.

"Financing Payments" means the principal and interest payments the City is required to make to \_\_\_\_\_ under the Financing Agreement.

"Plan" means the Molalla Urban Renewal Plan approved by City Ordinance \_\_\_\_\_, as that plan has been, and may in the future be, amended.

"Projects" means a portion of the infrastructure projects described in the Plan.

"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.

(3) Reserve Account.

[The Agency covenants to the City that it will establish and maintain a Reserve Account to secure the Agency's obligation to pay the amounts described in Section 2.1 so long as amounts are due from the Agency to the City under this Intergovernmental Agreement and unless the City waives this requirement. The Reserve Account shall be funded by the last day of each Fiscal Year with at least the amount necessary to make the payments due under this Intergovernmental Agreement in the next Fiscal Year.]

## **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 Clackamas 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 Molalla Urban Renewal Agency, Oregon**

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[Name, Title]

**For the City of Molalla, Oregon**

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[Name, Title]

**EXHIBIT A**

**Financing Payment Schedule**

[To follow.]

