



City of Molalla

Molalla Urban Renewal Agency

Meeting Agenda

November 19, 2014

Meeting Location: Molalla City Hall, 117 N. Molalla Ave., Molalla, OR 97038 **Time:** 6:30pm

Last MURA Meeting: *November 12, 2014*

This meeting will be televised. The regularly scheduled meeting of the Molalla City Council will convene following adjournment of this meeting of the Molalla Urban Renewal Agency.

Public Comments: Those wishing to address the Urban Renewal Agency on any agenda item are asked to fill out and submit comment cards to the City Recorder prior to the start of the meeting.

1. CALL TO ORDER

- A. Flag Salute
- B. Roll Call

2. COMMUNICATIONS

- A. Minutes: November 12, 2014

3. NEW BUSINESS

4. CONTINUED

5. ORDINANCE

6. PUBLIC HEARING

7. RESOLUTION

- A. **Resolution 2014-03: A Resolution Authorizing Indebtedness for Capital Projects Described in the Molalla Urban Renewal Plan**

8. ADJOURN

Minutes of the Urban Renewal Agency
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038
Wednesday November 12, 2014

ATTENDANCE: Agency Member Rogge, Present; Member Pottle, Present; Member Clark, Present; Member Thompson, Present; Member Boreth, Present; Member Griswold, Present; Member Cook, Present.

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

COMMUNICATIONS

A. Minutes October 8, 2014

Member Pottle made a motion to approve the minutes of October 8, 2014. Member Boreth seconded. Motion approved (7-0) Member Rogge, Aye; Member Pottle, Aye; Member Clark, Aye; Member Thompson, Aye; Member Griswold, Aye; Member Boreth, Aye; Member Cook, Aye.

NEW BUSINESS

A. IGA to Make Financing Payments by and between the Urban Renewal Agency and the City of Molalla

City Manager Huff advised that the information needed for the agenda item was not available, it will come to council at a later date.

CM Huff provided council with a Molalla Urban Renewal Bond Expenditure Plan along with the engineer's report.

Councilor Boreth asked if the priority list can be changed. He was advised that it could be changed.

RESOLUTION

A. A Resolution Acknowledging GASB 54

Finance Director Penni advised that GASB 54 address ending fund balances.

Member Thompson made a motion to adopt Resolution 2014-02. Member Griswold seconded. Motion approved (7-0) Member Rogge, Aye; Member Pottle, Aye; Member Clark, Aye; Member Thompson, Aye; Member Griswold, Aye; Member Boreth, Aye; Member Cook, Aye.

B. A Resolution Authorizing Indebtedness for Capital Projects Described in the Molalla Urban Renewal Plan

This agenda item will come before council at a later date.

ADJOURNMENT

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

**RESOLUTION 2014-03
MOLALLA URBAN RENEWAL AGENCY**

**A RESOLUTION OF THE MOLALLA URBAN RENEWAL AGENCY,
AUTHORIZING INDEBTEDNESS FOR CAPITAL PROJECTS
DESCRIBED IN THE MOLALLA URBAN RENEWAL PLAN.**

The Board of the Molalla Urban Renewal Agency, Oregon, on the 19th day of November, 2014, during regular session for the transaction of Agency business:

WHEREAS: the Molalla Urban Renewal Agency, Oregon (the "Agency") is authorized by ORS Chapter 457 to incur indebtedness to carry out The Molalla 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 Molalla, 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 infrastructure projects in the Plan ("Projects") in an amount not to exceed \$3,300,000 and wishes to pay the debt service from the tax increment revenues of the Molalla 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 \$3,300,000 in principal amount of financing for the Projects, plus interest; and

WHEREAS: the Agency has no borrowings outstanding that are secured by the tax increment revenues of the Area; and

WHEREAS: the City has approved a maximum indebtedness for the Area of \$26,175,000, and a \$3,300,000 borrowing will not result in the Agency exceeding that limit; and

NOW, THEREFORE, the Agency Board resolves as follows:

Section 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 \$3,300,000 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 Agency is further authorized to create a reserve account to secure the amounts due under the intergovernmental agreement. 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.

Section 2. Delegation. The City Manager of the City, 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.

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

ADOPTED this 19th day of November, 2014.

MOLALLA URBAN RENEWAL AGENCY, OREGON

Authorized Officer

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

[Name, Title]

For the City of Molalla, Oregon

[Name, Title]

EXHIBIT A

Financing Payment Schedule

[To follow.]