

**CITY OF WILSONVILLE
URBAN RENEWAL AGENCY**

The Urban Renewal Agency held a regular meeting on March 18, 2013 in the Wilsonville City Hall immediately following the adjournment of the City Council meeting.

Board Members attending: Chair Knapp; Mr. Starr; Mr. Goddard; and Ms. Stevens. Ms. Fitzgerald was excused.

Staff included: Bryan Cosgrove, Executive Director; Mike Kohlhoff, City Attorney; Jeanna Troha, Assistant City Manager; Joanna Ossanna, Finance Director; Sandra King, City Recorder.

CITIZEN INPUT

There was none.

NEW BUSINESS

Mr. Kohlhoff read the titles of URA Resolutions No. 227, 228 and 229 into the record and indicated the three could be acted upon in one vote.

A. **URA Resolution No. 227**

A Resolution Authorizing The Issuance Of A Series Of Urban Renewal Bonds For The West Side Urban Renewal Area; Delegating Authority To Negotiate And Execute All Documents; And Related Matters.

Approval to retire the remaining portion of the West Side short-term interest-only debt by issuing an equivalent amount of long-term debt.

Action is required by the Urban Renewal Board before any borrowing can be completed. The urban renewal agency's lending institution, Bank of America (Bank), has for many years supported the district via frequent reauthorizations of short-term borrowing pending the time when taxes would be sufficient to allow for amortization of the principal. Taxes have increased to a level that will support the conversion of \$7 million from short to long-term debt. This step allows for payments over time towards retirement of the debt.

Staff monitors cash flow for the Urban Renewal funds and has determined that cash on hand and taxes being collected are now sufficient to allow for conversion of \$7 million of short-term debt to long-term amortizing.

Terms:

- Interest rate: To be negotiated by March 15, 2013.
- Years: Amortization is based on 20 years; however, a balloon payment is due in the 15th year.
- Security: Parity with other long-term debt of UR West Side. Pledge annual taxes and cash in Debt Reserve Account of the West Side district. Cash reserve of approximately \$700,000 (10 percent of bond amount) is expected.

- Loan Origination Fee: To be determined, but estimate is \$5,000 at closing.
- Prepayment Penalty: A penalty may be charged if the payment would result in loss of income or expense to the Bank.

There are several advantages to approving this action. One, the interest rates are low, and should be even lower than our recent limit tax general obligation debt. Two, the 20 year amortization with a bullet in year 15 years allows for a lower annual payment. This is consistent with other West Side debt amortization and staff is creating a cash reserve to pay the principal balance by year 15. Three, this would remove a pledge of the General Fund thus removing a potential \$7 million burden from that fund. Four, the fees to issue and close this type of debt are significantly lower than other forms of debt.

B. URA Resolution No. 228

A Resolution Authorizing A Short Term Subordinate Urban Renewal Bond For The West Side Urban Renewal Area.

Approval to issue a \$2 million in short-term subordinate Urban Renewal Bond for the West Side Urban Renewal District.

Action is required by the Urban Renewal Board before any borrowing can be completed. The urban renewal agency's lending institution, Bank of America (Bank), has for many years supported the district via authorizations of short-term subordinate bond issuances.

Staff monitors cash flow for the Urban Renewal funds and has determined that cash on hand and taxes being collected are sufficient to allow for the issuance of \$2 million of short-term subordinate debt.

Terms:

- Interest rate: To be negotiated by November 15, 2013
- Years: Shall mature within 3 days after the Bond issued.
- Security: Pledge annual taxes and cash in Debt Reserve Account of the West Side district.
- Loan Origination Fee: To be determined, but minimal.
- Prepayment Penalty: None

The fees to issue and close this type of debt are significantly lower than other forms of debt.

Approval of this Resolution which authorizes the Finance Director, or designee, to complete the necessary forms and contracts to complete the debt issuance.

Loan closing would occur prior to the middle of April 2013.

C. URA Resolution No. 229

A Resolution Authorizing A Short Term Subordinate Urban Renewal Bond For The Year 2000 Plan Urban Renewal Area.

Approval to issue a \$3.5 million in short-term subordinate Urban Renewal Bond for the Year 2000 Urban Renewal District.

Action is required by the Urban Renewal Board before any borrowing can be completed. The urban renewal agency's lending institution, Bank of America (Bank), has for many years supported the district via authorizations of short-term subordinate bond issuances.

Staff monitors cash flow for the Urban Renewal funds and has determined that cash on hand and taxes being collected are sufficient to allow for the issuance of \$3.5 million of short-term subordinate debt.

Terms:

- Interest rate: To be negotiated by March 15, 2013.
- Years: Shall mature within 3 days after the Bond issued.
- Security: Pledge annual taxes and cash in Debt Reserve Account of the Year 2000 Urban Renewal District.
- Loan Origination Fee: To be determined, but minimal.
- Prepayment Penalty: None

The fees to issue and close this type of debt are significantly lower than other forms of debt.

Approval of this Resolution which authorizes the Finance Director, or designee, to complete the necessary forms and contracts to complete the debt issuance.

Loan closing would occur prior to the middle of April 2013.

Motion: Mr. Starr moved to approve URA Resolutions No. 227, 228, and 229. Mr. Goddard seconded the motion.

Vote: Motion carried 4-0.

CONSENT AGENDA

Mr. Kohlhoff read the titles of the Consent Agenda items into the record.

A. **URA Resolution No. 226**

A Resolution Of The Urban Renewal Agency Of The City Of Wilsonville Authorizing Execution Of A Lease Agreement With The West Linn/Wilsonville School District For Property Known As The "Town Center School Site" Acquired By The Urban Renewal Agency From The Northwest District Of The Wesleyan Church.

B. Minutes of the March 4, 2013 URA Meeting.

Motion: Mr. Goddard moved to adopt the Consent Agenda. Mr. Starr seconded the motion.

Vote: Motion carried 4-0.

ADJOURN

The URA meeting was adjourned at 8:59 p.m.

Respectfully submitted,

Sandra C. King, City Recorder

Attest:

Tim Knapp, Chair