

City of Wilsonville

Urban Renewal Meeting

January 24, 2019



URA AGENDA

**CITY OF WILSONVILLE
URBAN RENEWAL AGENCY**

**JANUARY 24, 2019
7:00 P.M.**

**CITY HALL
29799 SW TOWN CENTER LOOP
WILSONVILLE, OREGON**

Immediately Following the City Council Meeting

Chair Tim Knapp

Board Member Kristin Akervall
Board Member Charlotte Lehan

Board Member Susie Stevens
Board Member Ben West

CALL TO ORDER

A. Roll Call

CITIZEN INPUT

This is an opportunity for visitors to address the Urban Renewal Agency Board on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the Board will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

CONSENT AGENDA

A. Minutes of the December 3, 2018 URA Meeting. (Veliz)

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PUBLIC HEARING

A. URA Resolution No. 293 (*Legislative Hearing*)

Page 5

A Resolution Authorizing A Supplemental Budget Adjustment For Fiscal Year 2018-19. (Rodocker)

NEW BUSINESS

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A. URA Resolution No. 294

A Resolution Authorizing An Intergovernmental Agreement With The City Of Wilsonville Pertaining To Short Term Subordinate Urban Renewal Debt For The West Side Plan District For The Purpose Of Funding The Construction Of Capital Improvement Projects By The Agency. (Rodocker)

ADJOURN

**CITY OF WILSONVILLE
URBAN RENEWAL AGENCY
DECEMBER 3, 2018**

The Urban Renewal Agency (URA) held a regular meeting on December 3, 2018 in the Wilsonville City Hall immediately following the adjournment of the City Council meeting. Chair Knapp called the URA meeting to order at 9:32 p.m. followed by roll call.

The following Board Members were present:

- Chair Knapp
- Member Starr
- Member Stevens - Excused
- Member Lehan
- Member Akervall

Staff present included:

- Bryan Cosgrove, City Manager
- Jeanna Troha, Assistant City Manager
- Barbara Jacobson, City Attorney
- Kimberly Veliz, City Recorder
- Chris Neamtzu, Community Development Director
- Cathy Rodocker, Finance Director
- Zoe Monahan, Assistant to the City Manager

CITIZEN INPUT

There was none.

CONSENT AGENDA

A. Minutes of the November 5, 2018 and November 19, 2018 URA Meetings.

Motion: Ms. Lehan moved to approve the consent agenda as read. Mr. Starr seconded the motion.

Vote: Motion carried 4-0.

Chair Knapp	Yes
Member Starr	Yes
Member Stevens	Excused
Member Lehan	Yes
Member Akervall	Yes

PUBLIC HEARING

Ms. Jacobson read the title of URA Resolution No. 292 into the record.

A. URA Resolution No. 292

A Resolution Authorizing A Supplemental Budget Adjustment For Fiscal Year 2018-19.

Chair Knapp opened the public hearing at 9:33 p.m. after reading the hearing format.

Ms. Rodocker presented the staff report.

Chair Knapp invited additional speakers, seeing none he closed the public hearing at 9:35 p.m.

Motion: Ms. Lehan moved to approve URA Resolution No. 292. Ms. Akervall seconded the motion.

Vote: Motion carried 3-1.

Chair Knapp	Yes
Member Starr	No
Member Stevens	Excused
Member Lehan	Yes
Member Akervall	Yes

ADJOURN

The URA meeting adjourned at 9:36 p.m.

Respectfully submitted,

Kimberly Veliz, City Recorder

ATTEST:

Tim Knapp, Chair



URBAN RENEWAL MEETING STAFF REPORT

Meeting Date: January 24, 2019	Subject: URA Resolution No. 293 Supplemental Budget Adjustment Staff Member: Cathy Rodocker, Finance Director Department: Finance	
Action Required	Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Public Hearing Date: January 24, 2019 <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends the Urban Renewal Agency (URA) adopt URA Resolution No. 293.		
Recommended Language for Motion: I move to approve URA Resolution No. 293.		
Project / Issue Relates To:		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable

ISSUE BEFORE AGENCY:

A supplemental budget resolution for the FY2018-19 budget year.

EXECUTIVE SUMMARY:

Oregon's Local Budget Law allows the URA Board to amend the adopted budget for an occurrence or condition that was not known at the time the budget was adopted. The Fiscal Year 2018-19 Budget was adopted by the Agency on June 18, 2018.

Budget Adjustment Resolution

An increase to the 5th St to Kinsman project in the amount of \$1,750,000 is requested to begin the acquisition phase of the project. This request also includes additional Project Management Fees for the Town Center Concept Plan in the amount of \$65,000.

The total requests of \$1,815,000 will be funded through available contingencies.

EXPECTED RESULTS:

The Urban Renewal Districts are required to amend their respective annual budget in accordance with Oregon local budget law. It is required to have the supplemental budget adjustment approved by the Board during a public hearing at a regularly scheduled meeting.

TIMELINE:

A public notice for the Urban Renewal meeting was published as required. The notice was published in the Wilsonville Spokesman on January 16, 2019. Oregon Budget Law requires all budget adjustments and transfers be approved prior to the end of the fiscal year, June 30, 2019.

FINANCIAL REVIEW / COMMENT:

Reviewed by: CAR Date: 1/8/2019

LEGAL REVIEW / COMMENT:

Reviewed by: BAJ Date: 1/15/2019

COMMUNITY INVOLVEMENT PROCESS:

As required by Local Budget Law, a notice for the public hearing has been published in the Wilsonville Spokesman. The notice has also been published on the City’s website. As the accompanying resolution is a budget adjustment, a public hearing must be part of the adoption process.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:

The amended budget provides for the delivery of services and construction of capital projects throughout the community.

ALTERNATIVES:

Not approving the attached supplemental budget could result in overspending current budget appropriations. The City is required to disclose all excess of expenditures over appropriations in the Comprehensive Annual Financial report.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Supplemental Budget Adjustments
2. URA Resolution No. 293
 - A. Need, Purpose and Amount: Detail by Fund & Category

URBAN RENEWAL

Attachment 1-Supplemental Budget Adjustments

Budget Requests - Capital Projects	Total
Request for New Funding	
4196-5th St/Kinsman Extension	1,750,000 Property Acquisitions
3004-Town Center Concept Planning	65,000 Additional Project Management Fees
Total Year 2000 Urban Renewal Requests	<u>\$ 1,815,000</u>

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 293

A RESOLUTION AUTHORIZING A SUPPLEMENTAL BUDGET ADJUSTMENT FOR FISCAL YEAR 2018-19.

WHEREAS, the Urban Renewal Board adopted a budget and appropriated funds for fiscal year 2018-19 by Resolution 283; and,

WHEREAS, unanticipated revenues and expenditures are expected to exceed the original adopted budget in some of the Agency's funds and budgetary changes are necessary within these funds to provide increased appropriation levels to expend the unforeseen revenues; and,

WHEREAS, ORS 294.480 provides that a government may increase the current year adopted budget through supplemental appropriations provided publication notice is met and a public hearing is held; and,

WHEREAS, all transfers from contingencies within the fiscal year to date aggregate have exceeded fifteen percent (15%) of the fund's total appropriations; and,

WHEREAS, all expenditure transfers within the fiscal year to date aggregate to not more than ten percent (10%) of the fund's total expenditures; and,

WHEREAS, to facilitate clarification of the adjustments in this resolutions Attachment A to this resolution provides a summary by fund of the appropriation categories affected by the proposed adjustments of budget appropriation and the purpose of the expenditure.

WHEREAS, consistent with local budget law and based upon the foregoing, the staff report in this matter and public hearing input, the public interest is served in the proposed supplemental budget adjustment.

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF WILSONVILLE RESOLVES AS FOLLOWS:

The Agency adopts the Supplemental Budget to the Fiscal Year 2018-19 adopted budget by amending the estimated revenues and appropriations within the funds and categories as delineated and explained in Attachment A, attached hereto and incorporated by reference as if fully set forth herein.

This resolution becomes effective upon adoption.

ADOPTED by the Urban Renewal Board of the City of Wilsonville at a regular meeting thereof this 24th day of January 2019 and filed with Wilsonville City Recorder this same date.

Tim Knapp, Board Chair

ATTEST:

Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Board Chair Knapp
Board Member Akervall
Board Member Stevens
Board Member Lehan
Board Member West

Attachment:

- A. Need, Purpose and Amount: Detail by Fund & Category

ATTACHMENT A
NEED, PURPOSE AND AMOUNT: DETAIL BY FUND & CATEGORY

	<u>Current</u> <u>Appropriations</u>	<u>Change in</u> <u>Appropriations</u>	<u>Amended</u> <u>Appropriations</u>
Year 2000 Capital Projects Fund			
Capital Outlay	\$ 561,774	\$ 1,750,000	\$ 2,311,774
Material and Services	750,000	65,000	815,000
Contingency	2,198,093	(1,815,000)	383,093
Net change in requirements	\$ 3,509,867	\$ -	\$ 3,509,867
<p>Capital outlay increase is to begin the acquisition phase of the 5th St to Kinsman project. Materials and Services increase is for the project management fees for the Town Center Concept Plan.</p>			



**URBAN RENEWAL AGENCY MEETING
STAFF REPORT**

<p>Meeting Date: January 24, 2019</p>	<p>Subject: URA Resolution No. 294 Interagency Agreement – City and URA to Lend and Repay up to \$3 million</p> <p>Staff Member: Cathy Rodocker, Finance Director</p> <p>Department: Finance</p>
<p>Action Required</p>	<p>Advisory Board/Commission Recommendation</p>
<p><input checked="" type="checkbox"/> Motion</p> <p><input type="checkbox"/> Public Hearing Date:</p> <p><input type="checkbox"/> Ordinance 1st Reading Date:</p> <p><input type="checkbox"/> Ordinance 2nd Reading Date:</p> <p><input checked="" type="checkbox"/> Resolution</p> <p><input type="checkbox"/> Information or Direction</p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Board Direction</p> <p><input type="checkbox"/> Consent Agenda</p>	<p><input type="checkbox"/> Approval</p> <p><input type="checkbox"/> Denial</p> <p><input type="checkbox"/> None Forwarded</p> <p><input type="checkbox"/> Not Applicable</p> <p>Comments: Action provides sufficient resources to fund the Urban Renewal projects underway in FY 2018-19.</p>
<p>Staff Recommendation: Staff recommends the Urban Renewal Agency (URA) adopt URA Resolution No. 294.</p>	
<p>Recommended Language for Motion: I move to approve URA Resolution No. 294.</p>	
<p>Project / Issue Relates To:</p>	
<p><input type="checkbox"/> Council Goals/Priorities</p>	<p><input type="checkbox"/> Adopted Master Plan(s)</p>
<p><input type="checkbox"/> Not Applicable</p>	

ISSUE BEFORE AGENCY:

Action is needed to approve an agreement between the City and the Urban Renewal Agency that will provide up to \$3 million on a short-term basis.

EXECUTIVE SUMMARY:

The Westside Urban Renewal District (District) has capital projects that are under construction or will be in the near future. The District is in need of borrowing additional money in order to pay

for the improvements. The District has sufficient cash balances in its debt service fund to allow for repayment of borrowing on a short term basis – short term being defined as “over-night.”

The Urban Renewal Agency enters into agreements with financial institutions and/or the City for financing capital projects, depending upon the dollar amount necessary and the capacity of the Agency’s debt service funds to repay debt on a short-term basis or a long-term basis, ensuring adequate cash flows exist for current debt obligations, well as the capacity of the City’s General Fund to loan funds on a short-term basis.

State statutes allow the Urban Renewal Agency (Agency) to borrow from the City’s General Fund provided both the City and Agency agree to the terms of the borrowing.

The terms of the currently proposed borrowing are as follows:

- City lends to Agency \$3,000,000 at 2.75 percent (2.75%).
- The Agency repays the amount from tax increment funds on hand the day after receipt of the loan.
- Total interest to the General Fund, therefore, will be approximately \$226.
- The borrowing is subordinate to outstanding senior lien debt.

By borrowing from City funds, the Agency is able to avoid loan origination fees and legal costs associated with borrowing from a financial institution, estimated to be more than \$10,000 for this type of financing. The public purpose is to fund projects authorized in the urban renewal plans for the two respective districts.

EXPECTED RESULTS:

Authorizing the IGA by the respective Resolution of the City and the Agency will provide cash resources of \$3.0 million to pay for costs associated with Capital projects, such as Tooze Road – 110th to Grahams Ferry project, within the Westside Urban Renewal District.

TIMELINE:

Borrowing and repayment will occur within the month of January 2019. The IGA anticipates the loan and repayment occurring on January 25 and January 28, respectively.

CURRENT YEAR BUDGET IMPACTS:

This loan and the repayment were included in the adopted FY 2018-19 Urban Renewal budget.

FINANCIAL REVIEW / COMMENT:

Reviewed by: CAR Date: 1/7/2019

LEGAL REVIEW / COMMENT:

Reviewed by: BAJ Date: 1/16/2019

The form of the Resolutions and IGA are approved. The City is a home rule city and as such under its Charter it has the authority to act in ways that are necessary and convenient under the laws and Constitution of the State of Oregon. The Oregon Constitution, Article XI, Section 9 limits the powers of cities to loan its credit to private corporations. The Agency is not a private corporation, but is a unit of local government as is the City. Specifically, the laws in ORS Chapter 190 provide for intergovernmental agreements between units of local governments to provide for functions or

activities which they are authorized to do (building road projects are such functions or activities) and to provide for apportioning the responsibility for providing funds to pay for the expenses incurred in the performance of the functions or activities, which is what is occurring in this IGA.

COMMUNITY INVOLVEMENT PROCESS:

There has been no specific community outreach or involvement pertaining to this borrowing.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:

The borrowing will not directly impact local businesses or neighborhoods, however, the construction projects to be funded will have significant impact on both.

ALTERNATIVES:

Engage in borrowing from a financial institution. Using this process would take more time and cost the Urban Renewal Agency significantly more money.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. URA Resolution No. 294
 - A. Intergovernmental Agreement Between the City and the Urban Renewal Agency.

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 294

A RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF WILSONVILLE PERTAINING TO SHORT TERM SUBORDINATE URBAN RENEWAL DEBT FOR THE WEST SIDE PLAN DISTRICT FOR THE PURPOSE OF FUNDING THE CONSTRUCTION OF CAPITAL IMPROVEMENT PROJECTS BY THE AGENCY.

WHEREAS, the Urban Renewal Agency of the City of Wilsonville, Oregon (the “Agency”) finds it desirable to authorize an intergovernmental agreement with the City of Wilsonville which is to provide short term borrowing proceeds in the amount of not more than \$3,000,000 for its West Side Plan District for the construction costs for approved capital project within the district; and,

WHEREAS, ORS 190.010 provides legal authority for the two entities to enter into a binding intergovernmental agreement (the “Agreement”); and,

WHEREAS, the use of an Agreement is efficient and less costly than other means of obtaining financing for the Agency; and,

WHEREAS, the West Side Plan District debt service fund has sufficient cash balances to allow for repayment of the amounts borrowed without violation of the terms of outstanding senior debt liens;

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE HEREBY RESOLVES AS FOLLOWS:

1. To enter into the Agreement with the City of Wilsonville for the purpose of funding the construction of the public projects recited above and for the receipt and repayment of up to \$3,000,000 plus interest at the rate of 2.75% per annum on a 365-day basis in accordance with the terms specified in the Agreement. Borrowing will be deposited into the Agency’s capital project funds and repayments will be made from the Agency’s debt service funds. A copy of the Agreement is marked as **Exhibit A**, attached hereto, and incorporated by reference as if fully set forth herein.
2. To authorize the Agency Executive Director, or designee, to negotiate any and all documents to complete the Agreement and transactions related to the borrowing and repayment.
3. Effective Date of this Resolution shall be immediately upon its adoption.

ADOPTED by the Urban Renewal Agency of the City of Wilsonville at a regular meeting thereof this 24th day of January, 2019 and filed with the Wilsonville City Recorder this same date.

Tim Knapp, Board Chair

ATTEST:

Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Board Chair Knapp
Board Member Akervall
Board Member Stevens
Board Member Lehan
Board Member West

Exhibit:

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

Exhibit A

INTERGOVERNMENTAL LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$3,000,000, FROM THE CITY OF WILSONVILLE TO THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE FOR THE PURPOSE OF FUNDING APPROVED PROJECTS IN THE WEST SIDE PLAN

THIS INTERGOVERNMENTAL AGREEMENT entered into between the City of Wilsonville, an Oregon municipal corporation (the City), and the Urban Renewal Agency of the City of Wilsonville, Oregon, Oregon quasi-municipal corporation (the Agency),

RECITALS

WHEREAS, the Agency is a public body, corporate and politic, duly activated by the City, exercising its powers to engage in urban renewal activity as authorized by ORS Chapter 457; and

WHEREAS, the Year 2000 Plan district (the “District”) was duly established on May 4, 1992, and the Year 2000 Plan (the “Plan”) was adopted on August 29, 1990, setting out goals, objectives and projects (the “Projects”) for the Area; and

WHEREAS, the West Side district (the “District”) was duly established on November 3, 2003, and the West Side Plan (the “Plan”) was adopted on November 3, 2003, setting out goals, objectives and projects (the “Projects”) for the Area; and

WHEREAS, the Board of the Urban Renewal Agency has determined that a need exists to borrow funds for the Projects, to be repaid with tax increment financing; and

WHEREAS, Oregon Revised Statutes 457 and Oregon Constitution Article IX, Section 1(c) authorizes the Urban Renewal Agency to incur debt for the purpose of financing projects of an urban renewal plan, and to repay the debt and related costs with tax increment revenue; and

WHEREAS, the City of Wilsonville has approved a maximum indebtedness for the West Side District of \$49,400,000. The Agency has previously issued \$40,000,000 of long and short term indebtedness that is subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the District to which the maximum indebtedness limitation applies. As a result the Agency has \$9,400,000 of capacity (before issuance of the referenced borrowing of this Agreement) to incur indebtedness for the District, and

WHEREAS, ORS 294.468 authorizes a municipality to lend unrestricted money from its general fund to other funds of the municipal corporation if authorized by resolution of the governing body, and

WHEREAS, the City and Agency have determined that financing the Projects through an intergovernmental agreement as allowed by ORS 190.010, is more cost efficient than external financing methods, is financially feasible, and is in the best interest of both parties.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1: Term and Termination. This agreement shall become effective upon the date of the last signature hereon, and shall continue in full force and effect until the loan is paid in full.

Section 2: Delegation. The Designated Representatives, or a person(s) assigned by the Designated Representatives, may, on behalf of the City or Agency, act without further action by the Council, to establish the final principal amounts.

Section 3: Duties of the City. The City shall authorize all actions and execute all documents necessary or desirable to loan up to \$3,000,000 from the City’s General Fund to the Agency’s capital project funds as delineated in Section 5, and comply with the laws of the State of Oregon, including the terms and conditions contained within this Agreement. The Agency shall reimburse the City for its expenses incurred in the performance of this Agreement.

Section 4: Duties of the Agency. The Agency shall authorize all actions and execute all documents necessary or desirable to accept the loan, authorize repayment of the loan under the terms and conditions stated herein, and comply with the laws of the State of Oregon, applicable Urban Renewal Plans. The Agency shall be responsible for its expenses incurred in the performance of this agreement and of its activities contemplated herein.

Section 5: Loan Terms. The Loan shall be made from the City’s General Fund to the Agency’s West Side Plan Capital Improvement Fund in the principal amount as noted below. The City shall transfer up to \$3,000,000 in aggregate on or before January 25, 2019, as follows:

West Side Plan Capital Improvement Fund	<u>\$3,000,000</u>
Total	\$3,000,000

Interest on the loan, at a rate of 2.75 percent (2.75%) shall begin to accrue on the date of transfer and the corresponding loan plus accrued interest shall be repaid by each District not later than January 28, 2019.

Section 6: Consideration. In consideration of the terms and conditions set forth herein, the City agrees to loan up to \$3,000,000 in exchange for the Agency's obligation to repay the loan solely from the tax increment revenues of the corresponding urban renewal Districts. The lien of this pledge shall be subordinate to the lien of any currently outstanding senior lien bonds and to any requirement to fund or maintain debt service funds, reserve funds or similar funds or as part of minimum balances or similar requirements for those senior lien bonds.

Section 7: Indemnification. Subject to the limitations in the Oregon Constitution and the Oregon Tort Claims Act, the parties agree to defend, indemnify and hold each other, its officers, agents and employees harmless from all claims, suits, or actions of whatsoever kind, which arise out of or result from the transfer of funds.

Section 8: Modification. This agreement may not be altered, modified, supplemented or amended in any manner whatsoever except by mutual agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Section 9: Waiver. No provision of the agreement may be waived except in writing by the party waiving compliance. No waiver of any provision of the Agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or of any other provision.

Section 10: Severability. The parties agree that if any term or provision of the Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term and provision held to be invalid.

Section 11: Designated Representative. The City authorizes the City Manager or the City Manager's designee to act on behalf of the City under this agreement. The Agency authorizes the Executive Director of the Agency or the Executive Director's designee to act on behalf of the Agency under this Agreement.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law.

CITY OF WILSONVILLE

Bryan Cosgrove
City Manager of the City of Wilsonville, Oregon

Date

URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, OREGON

Bryan Cosgrove
Executive Director of the Urban Renewal
Agency of the City of Wilsonville, Oregon

Date