

RESOLUTION NO. 2397

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION, AND DELIVERY OF A FULL FAITH AND CREDIT FINANCING AGREEMENT IN AN AMOUNT NOT TO EXCEED \$5,000,000 TO FINANCE TROUTDALE URBAN RENEWAL PROJECTS, AND RELATED MATTERS.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the City of Troutdale ("City") is authorized by Oregon Revised Statutes ("ORS") Section 271.390 to enter into financing agreements to finance real or personal property which the Troutdale City Council ("City Council") determines is needed.
2. That the City Council adopted the Troutdale Riverfront Renewal Plan, which has subsequently been amended and may in the future be amended in accordance with its terms ("Plan"), on February 14, 2006, by Ordinance No. 773 to provide urban renewal authority to eliminate blight and foster development and redevelopment within the Troutdale Riverfront Renewal Area ("Plan Area") in order to protect the public health, safety, and welfare.
3. That by Ordinance No. 773 the Urban Renewal Agency of the City of Troutdale ("Agency") was assigned to implement the vision, goals and objectives of the Plan to achieve redevelopment of the Plan Area.
4. That in support of the Plan the City desires redevelopment of its former sewer treatment plant site, an approximately 12-acre parcel, and the adjacent approximately 8-acre parcel ("Property") owned by Eastwinds Development, LLC ("Eastwinds"), as part of a larger consolidated site project.
5. That the City has evaluated the Property for future public uses and has determined that it serves the public interest, and it is necessary and desirable for the Agency to acquire the Property and make site improvements to that site, to acquire the former sewer treatment plant site and make improvements to that site, and finance other projects described in the Plan (collectively, the "Project"), in order to implement the Plan, benefiting the public health, safety and welfare of the community.
6. That real property acquisition is an authorized general power of the Agency pursuant to ORS 457.170(3), and the Project will be an identified authorized project of the Plan in Section VIII.C when financed.
7. That ORS 457.320 authorizes the City to exercise any of its powers otherwise provided by law to assist in the planning or the carrying out of an urban renewal plan and ORS 190 authorizes the City to enter into intergovernmental agreements.

8. That the City may pledge its full faith and taxing power to certain borrowings pursuant to ORS 287A.315.
9. That the City desires to enter into, and authorize the execution and delivery of, a financing agreement for the purpose of financing the Project.
10. That the Agency and City intend for the financing to be paid from proceeds of the subsequent sale of all or a portion of the Project for private development, and by other legally available funds of the City if such sale proceeds are not sufficient.
11. That Agency will commit to pay the amounts due from the City under the financing agreement, and will enter into an intergovernmental agreement with the City to pay those amounts, but solely from the proceeds of the sale of the Project, and unspent proceeds of the financing agreement.
12. That the estimated weighted average life of the financing agreement will not exceed the estimated dollar weighted average life of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. Determination of Need. The City Council in accordance with the findings set forth above, in order to facilitate redevelopment in the Plan Area, hereby determines that the Project is needed.

Section 2. Assistance to Agency. The City hereby declares it serves the public interest, and it is necessary and desirable for the City to assist the Agency to finance the Project in order to implement the Plan redevelopment projects, pursuant to ORS 457.320.

Section 3. Financing Agreement Authorization. The City hereby authorizes the execution and delivery of a full faith and credit financing agreement not subject to annual appropriation (the "Financing Agreement") in a form satisfactory to the City Official (defined herein). The aggregate principal amount of the Financing Agreement may not exceed \$5,000,000 and the proceeds shall be used to finance the Project and pay costs related to the financing.

Section 4. Method of Sale. The Financing Agreement may be entered into directly with a lender (a "Private Placement") or obligations representing the principal amount payable under the Financing Agreement may be sold to an underwriter by negotiated or competitive sale (a "Public Offering"), as determined by the City Official.

Section 5. Security. Pursuant to ORS 287A.315, 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 to pay the amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

Section 6. Designation of City Official. The City Manager, Ray Young, and Finance Director, Erich Mueller (each a "City Official") are each hereby authorized, on behalf of the City and without further action by the City Council, to:

- A. issue the Financing Agreement in one or more series;
- B. execute notes to represent amounts due under the Financing Agreement;
- C. determine the method of sale as permitted in Section 4;
- D. determine if the Financing Agreement will be issued on a taxable or tax-exempt basis;
- E. enter into covenants that restrict the use of the Project and the sale terms of the Project to comply with Article XI, Section 9 of the Oregon Constitution;
- F. establish the maturity and interest payment dates, principal amounts, redemption provisions, interest rates, and all other terms under which the Financing Agreement shall be issued, sold, executed, and delivered;
- G. negotiate the terms and approve of the Financing Agreement and the Escrow Agreement that provides for the issuance of one or more series of "full faith and credit obligations" that represent ownership interests in the principal and interest payments due from the City under the Financing Agreement, if applicable, and execute and deliver the Financing Agreement and the Escrow Agreement;
- H. deem final, approve of and authorize the distribution of the preliminary and final Official Statements, if applicable;
- I. approve, execute and deliver a continuing disclosure certificate, if applicable, pursuant to SEC Rule 15c2-12, as amended;
- J. engage the services of a lender, underwriter, placement agent, bond counsel, special counsel, escrow agent, financial advisor, and/or any other professionals whose services are desirable for the financing;
- K. apply for ratings, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancements, enter into agreements with the providers of credit enhancement, and execute and deliver related documents;
- L. enter into additional covenants for the benefit of the investors, including funding reserves, which the City Official determines are desirable to obtain more favorable terms for the Financing Agreement;
- M. execute and deliver a certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the City Official determines are necessary and desirable to issue, sell and deliver the Financing Agreement in accordance with this Resolution; and

N. take any other actions which the City Official determines are necessary or desirable to finance the Project in accordance with this Resolution, and the execution thereof by any such City Official shall be conclusive as to such determination.

Section 7. Appointment of Special Counsel. The City appoints Hawkins Delafield & Wood LLP as Special Counsel for the issuance of the Financing Agreement.

Section 8. Agency Repayment. The City Official is authorized to enter into an intergovernmental agreement with the Agency, under which the Agency agrees to pay all amounts due from the City under the Financing Agreement. However, the Agency is only obligated to make those payments from the proceeds of the sale of the Project, and unspent proceeds of the financing agreement. The intergovernmental agreement may also contain requirements to prepay portions of the Financing Agreement if the Project, or a portion of it, is sold to private entities. The intergovernmental agreement shall be in substantially the form attached to this resolution as Attachment A, but with any changes the City Official may approve.

Section 9. That this Resolution shall take effect immediately upon adoption.

YEAS: 6

NAYS: 1 Councilor Morgan

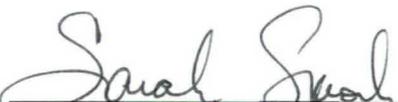
ABSTAINED: 0



Casey Ryan, Mayor

10-12-2017

Date



Sarah Skroch, City Recorder

Adopted: October 10, 2017

**FORM OF
INTERGOVERNMENTAL AGREEMENT RELATED TO THE LENDING OF FUNDS
FROM THE CITY OF TROUTDALE
TO THE URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**

THIS INTERGOVERNMENTAL AGREEMENT is entered into between the City of Troutdale, an Oregon municipal corporation (the "City"), and the Urban Renewal Agency of the City of Troutdale, an Oregon urban renewal agency formed under ORS Chapter 457 (the "Agency").

RECITALS:

Whereas, the Agency is the duly formed body to implement urban renewal in Troutdale formed by the adoption of City Ordinance No. 771 on January 27, 2006 and duly activated by the City, exercising its powers to engage in urban renewal activity as authorized by Oregon Revised Statutes ("ORS") Chapter 457;

Whereas, the City adopted the Troutdale Riverfront Renewal Plan, which has subsequently been amended and may in the future be amended in accordance with its terms ("Plan") on February 14, 2006, by Ordinance No. 773 to provide tax increment funding and urban renewal authority to eliminate blight and foster development and redevelopment within the Troutdale Riverfront Renewal Area ("Plan Area") and assigned the Agency to implement the Plan vision, goals and objectives which include property acquisition and supporting redevelopment of the Plan Area, in order to protect the public health, safety, and welfare;

Whereas, the Board of the Agency and the City Council have determined that a need exists to finance certain projects located within the Plan Area and described in the Plan (collectively, the "Project");

Whereas, the Agency does not have sufficient revenues to finance the Project;

Whereas, the City and the Agency have determined that financing the Project through a borrowing of the City and obligating the Agency to repay that borrowing through this intergovernmental agreement ("IGA") is financially feasible and in the parties' best interest;

Whereas, the City executed a Financing Agreement (the "Financing Agreement") in the amount of \$_____ dated _____, 2017 to finance the Project and pay costs of the financing;

Whereas, ORS 190.010 authorizes the City and the Agency to enter, and the City and the Agency desire to enter into this IGA.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1: Financing Payments.

1.1 The Financing Payments.

The Agency hereby agrees to pay to the City the amounts that the City is obligated to pay under Financing Agreement in a maximum principal amount of \$[principal amount of City borrowing]. The amounts and dates of the payments due under the Financing Agreement are shown in Exhibit A.

1.2 Security for the Obligation of the Agency to Pay the Financing Payments.

The Agency is obligated to make the payments due from the City under the Financing Agreement. However, the Agency is only obligated to make those payments from the proceeds of the sale of the Project financed with the proceeds of the Financing Agreement, and unspent proceeds of the Financing Agreement.

Section 2: Covenants to Allow City to Comply with Article XI, Section 9 of the Oregon Constitution.

This section applies unless the Agency and City otherwise receive an opinion from bond counsel.

The Agency and City hereby covenant that so long as the Financing Agreement or this Intergovernmental Agreement remains outstanding:

- (1) The Project can only be sold to a private party if the sale meets the following conditions:
 - the sale is for cash;
 - at not less than fair reuse value as defined in ORS 457.230; and
 - the sale is in an amount sufficient, considering other legally available sources of revenues, to pay off all amounts due from the City under the Financing Agreement allocable to the portion of the Project being sold.
- (2) If a sale is permitted under (1), above and all or a portion of the Project is sold to a private party, proceeds from the sale, and, if necessary, other legally available sources of revenues, need to be applied immediately to pay off all amounts due from the City under the Financing Agreement allocable to the portion of the Project being sold.
- (3) Neither the Agency nor City will take any action related to the Project designed to benefit a particular private party. This includes making improvements on the Project to benefit a particular developer or development. This covenant does not

limit the Agency's ability to make changes to the Project to prepare the Project for development so long as those changes are general in nature, designed to facilitate development on the site and not designed to benefit or accommodate a particular project or developer.

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: Representations of the Agency.

The Agency will only spend the proceeds of the Financing Agreement on the Project so long as the Project is described in the Plan, located in the Plan Area, and owned by the City or the Agency.

Section 5: 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, their 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 6: Modification.

This agreement may not be altered, modified, supplemented or amended in any manner whatsoever except by the 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 7: Waiver.

No provision of this agreement may be waived except in writing by the party waiving compliance. No waiver of any provision of this 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 8: 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 or provision held to be invalid.

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

**URBAN RENEWAL AGENCY
OF THE CITY OF TROUTDALE**

Ray Young
Executive Director

Date

CITY OF TROUTDALE

Erich Mueller
Finance Director

Date

EXHIBIT A

Payments on the Financing Agreement

Interest at the rate of ___%, calculated on a [30/360] basis, is payable _____.
Principal and interest payment requirements are outlined in the following table.

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|-------------|------------------|-----------------|--------------------------|
|-------------|------------------|-----------------|--------------------------|