



FAIRVIEW URBAN RENEWAL AGENCY

Fairview City Hall-Council Chambers
1300 NE Village Street, Fairview, Oregon

WEDNESDAY, JULY 17, 2019

1. Call to Order Immediately Following City Council Regular Session
Roll Call
2. Review and Adopt Minutes: June 5, 2019 (URP 3-4) (A)
3. Authorize IGA with the City of Fairview Regarding the Transfer of Tax Increment Revenues and Proceeds for the Purpose of Paying Financing Payments of the City: Resolution 11-2019 (URP 5-11) (A)
4. Adjournment (A)

(A) Action requested (I) Information only

NEXT URBAN RENEWAL AGENCY MEETING IS AUGUST 7, 2019

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to 503.665.7929.

**MINUTES
CITY OF FAIRVIEW
URBAN RENEWAL AGENCY**

June 5, 2019

Agency Members

Brian Cooper, Board Chair
Cathi Forsythe
Mike Weatherby
Keith Kudrna
Darren Riordan
Natalie Voruz
Balwant Bhullar (*By Phone*)

Staff

Lesla Folger, Finance Director
Heather Martin, City Attorney
Harry Smith, Police Chief
Devree Leymaster, City Recorder

1. Call to Order – 8:05 PM
Roll Call

2. Review and Adopt Minutes: May 15, 2019

Member Weatherby moved to approve the minutes and Member Kudrna seconded. The motion passed unanimously.

AYES: 7
NOES: 0
ABSTAINED: 0

3. Adopt the Fiscal Year 2019-20 Budget and Make Appropriations: Resolution 8-2019

Chair Cooper opened the public hearing. There was no comment. Chair Cooper closed the public hearing.

Member Riordan moved to approve Resolution 8-2019 and Member Kudrna seconded. The motion passed unanimously.

AYES: 7
NOES: 0
ABSTAINED: 0

4. Authorize Raising the Maximum Amount of all Available Property Taxes Applicable to the Incremental Values in the Boundaries of the Fairview Urban Renewal District: Resolution 9-2019

Member Kudrna moved to approve Resolution 9-2019 and Member Weatherby seconded. The motion passed unanimously.

AYES: 7
NOES: 0
ABSTAINED: 0

5. Authorize Reimbursement to the City for System Development Charges Waived Under City Resolution 32-2019: Resolution 10-2019

Member Forsythe moved to approve Resolution 10-2019 and Member Weatherby seconded. The motion passed unanimously.

AYES: 7
NOES: 0
ABSTAINED: 0

6. Adjournment

Member Riordan moved to adjourn the meeting and Member Kudrna seconded. The motion passed, and the meeting adjourned at 8:07 PM.

AYES: 7

NOES: 0

ABSTAINED: 0

Devree Leymaster
City Recorder

Brian Cooper
Board Chair

Date of Signing

URA AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
July 17, 2019	3.	2019-16

TO: URA Board Members

FROM: Nolan K. Young, City Administrator

DATE: July 10, 2019

ISSUE:

Approval of an Intergovernmental Agreement (IGA) between the City of Fairview and the Fairview Urban Renewal Agency (URA) regarding the transfer of Tax Increment Revenue and proceeds, the purpose of which is to make debt service payments for financing incurred by the City on behalf of the URA. This financing will be used to finance URA projects.

RELATED COUNCIL GOALS:

Goal #5: Enhance and promote economic development activity.

Objective B: Investigate formation of an urban renewal district to identify and pursue economic development projects.

BACKGROUND:

City Council formed the Fairview Urban Renewal (UR) Agency on June 6, 2018. Adoption of the UR Plan for the Agency occurred on November 7, 2018. On March 6, 2019, the City and Agency signed an intergovernmental agreement (IGA) that, among other provisions, allows for the City to borrow money for Agency projects while the Agency makes the debt service payments on any funding obtained.

The adopted URA budget calls for the Agency to acquire \$3.4 million in financing to begin carrying out the URA Plan. Ordinance 08-2019 authorizes the City to authorize financing agreements and notes with a principal amount not to exceed \$3,460,000 (the additional \$60,000 is to finance the cost of debt issuance).

The proposed notes will be a combination of tax-exempt and taxable financing. Tax-exempt notes in the amount of \$2,160,000 will be used to finance URA Plan capital projects associated with the City's streets and utilities (water, sewer, and storm water), as well as cover the cost of debt issuance. Tax-exempt funding would be repaid over 20 years. Taxable notes in the amount of \$1,300,000 will be used to finance the URA Utility System Development Charge (SDC) Assistance Program and to issue grants for private development. Financing funds may also be used to cover administrative costs of the Agency. Taxable funding would be repaid over ten years.

Resolution 11-2019 authorizes the URA to sign an IGA whereby the URA agrees to assist the City in complying with all terms of the financing agreements and notes and to pledge Tax Increment Revenue to finance the debt retirement obligations of the notes.

RECOMMENDED ACTION: Approve Resolution 11-2019, authorizing the Agency to sign the proposed IGA.

ALTERNATIVE ACTIONS:

Choose **not** to approve the proposed resolution and **not** authorize the \$3,460,000 financing. This will delay any Urban Renewal projects until sufficient tax increment funding is available.

BUDGET IMPLICATIONS:

The proposed financing and associated first year expenditures of proceeds are included in the adopted FY19-20 URA budget. Current projections indicate that after the first year, the TIF will be sufficient to cover debt service payments. A portion of the bridge loan from the City will be used to cover the initial debt payment occurring in FY19-20 (estimated to be \$191,000).

CITY COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** Move to adopt Resolution 11-2019, approving execution of the proposed IGA.
2. Decline to adopt Resolution 11-2019 and determine an alternate way to finance URA projects.

URBAN RENEWAL AGENCY
RESOLUTION
(11 - 2019)

A RESOLUTION OF THE FAIRVIEW URBAN RENEWAL AGENCY BOARD OF DIRECTORS, MULTNOMAH COUNTY, OREGON APPROVING OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF FAIRVIEW, MULTNOMAH COUNTY, OREGON REGARDING THE TRANSFER OF TAX INCREMENT REVENUES AND PROCEEDS FOR THE PURPOSE OF PAYING FINANCING PAYMENTS OF THE CITY

WHEREAS, Fairview Urban Renewal Agency (the “Agency”) and the City of Fairview, Multnomah County, Oregon (the “City”) are currently planning projects set forth in the Fairview Urban Renewal Plan dated November 7, 2018 (the “Plan”), including administrative costs, Water, Sewer, and Storm Water Utility System Development Charges (SDCs), Water, Sewer, Storm Water and Streets improvements and other projects included in the Plan (collectively the “Project”) and costs of issuance of the financing, in a principal amount not to exceed \$3,460,000; and

WHEREAS, The City is planning to enter into one or more tax-exempt and/or taxable financing agreements and notes (the “City Obligation”) in an aggregate principal amount not to exceed \$3,460,000 to finance the Project; and

WHEREAS, The Agency and the City wish to enter into an intergovernmental agreement whereby the Agency shall transfer tax increment revenues and proceeds accumulated by the Agency for the payment of the portion of the City Obligation allocable to Projects in the Plan at the times, in amounts and under the terms determined by the City.

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW CITY COUNCIL AS FOLLOWS:

Section 1 Fairview Urban Renewal Agency agrees to the terms and conditions of the Intergovernmental Agreement in substantially the form attached hereby as Exhibit A (the “IGA”) with such changes approved by the Authorized Representative (defined below), and authorizes and directs the City Administrator or Finance Director or Agency Board Chair or any of their designees (each an “Authorized Representative”) to approve the final form of the IGA and sign the IGA on behalf of the Agency. The Authorized Representative is authorized, on behalf of the Agency, to:

A. establish the terms of the IGA, including the maturity and interest payment dates, dated dates, principal amounts, prepayment provisions, capitalized interest (if any), tax-exempt and/or taxable interest rates, draw-down provisions, amortization schedules, covenants, fees, financial reporting requirements, term, denominations, and all other terms under which the IGA shall be executed and delivered; and

B. engage the services of any professionals whose services the Authorized Representative determines are necessary or desirable;

Section 2 The Authorized Representative is further authorized and directed on behalf of the Agency to execute and deliver and any other documents, agreements or certificates that the Authorized

Representative determines are necessary or desirable, including a tax certificate of the Agency, and take any other actions that the Authorized Representative determines are necessary or desirable in furtherance of the IGA.

Section 3 It is the reasonable official intent of the Agency to reimburse itself for the capital expenditures associated with the Project with the proceeds of the City Obligation and IGA in the principal amount not to exceed \$3,460,000. This declaration of official intent is given pursuant to United States Treasury Regulations Section 1.150-2.

Section 4 This resolution is and shall be effective from the day of its passage.

Resolution adopted by the City Council of the City of Fairview, this 17th day of July, 2019.

Chair, Fairview Urban Renewal Board
Brian Cooper

ATTEST

City Recorder, City of Fairview
Devree Leymaster

Date

EXHIBIT A

2019 INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF FAIRVIEW AND THE FAIRVIEW URBAN RENEWAL AGENCY

This 2019 Intergovernmental Agreement is executed this 17th day of July 2019, by and between the CITY OF FAIRVIEW, OREGON, a municipal corporation of the State of Oregon (the “City”) and the FAIRVIEW URBAN RENEWAL AGENCY, OREGON, a public body created and activated under ORS Chapter 457 (the “Agency”).

I. DEFINITIONS

For purposes of this 2019 Intergovernmental Agreement, unless the context clearly requires otherwise, capitalized terms shall have the following meanings:

“2019 Intergovernmental Agreement” means this intergovernmental agreement between the City and the Agency dated as of July 17, 2019, relating to the City Obligation.

“Agency” means the Fairview Urban Renewal Agency, Multnomah County, Oregon.

“Agency Resolution” means the Agency Resolution No. 11-2019 adopted July 17, 2019.

“Area” means the Fairview Urban Renewal Area which is described in the Plan and all additions thereto.

“Authorized Representative of the Agency” means, each individually, the Chair of the Agency, the City Administrator or Finance Director or their designee.

“Authorized Representative of the City” means, each individually, the City Administrator or Finance Director or any designee of the City Manager.

“City” means the City of Fairview, Multnomah County, Oregon.

“City Obligation” means the City’s Financing Agreement and Note, Series 2019[A/B] in the aggregate principal amount not to exceed \$3,460,000.

“ORS” means Oregon Revised Statutes.

“Plan” means the Fairview Urban Renewal Plan and Report dated November 7, 2018.

“Project” means projects set forth in the Fairview Urban Renewal Plan dated November 7, 2018 (the “Plan”), including administrative costs, Water, Sewer, and Storm Water Utility System Development Charges (SDCs), Water, Sewer, Storm Water and Streets improvements and other projects included in the Plan (collectively the “Project”) and costs of issuance of the financing, in a principal amount not to exceed \$3,460,000.

“Tax Increment Revenues” means all ad valorem tax revenues from property which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and Oregon Revised Statutes, Chapter 457, and all earnings thereon.

II. RECITALS

- A. Pursuant to ORS 190.010, units of local government are authorized to enter into intergovernmental agreements with other units of local governments for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have the authority to perform.
- B. Each of the parties to this agreement is a “unit of local government” as defined in ORS Section 190.003. Each of the parties has the legal authority for the performance of any and all functions and activities set forth herein.
- C. The Agency, as the duly authorized and acting urban renewal agency of the City of Fairview, Oregon is charged to undertake certain redevelopment activities in the redevelopment area pursuant to ORS Chapter 457 and the Plan.
- D. Pursuant to ORS 457.190, the Agency is authorized to borrow money and accept advances, loans, grants and any other form of financial assistance from a public body for the purposes of undertaking and carrying out urban renewal projects.
- E. Pursuant to ORS 457.320 the City is authorized to exercise any of its powers to assist in the planning or the carrying out of an urban renewal plan.
- F. Pursuant to ORS 271.390 the City has the power to enter into financing agreements to finance and refinance real and personal property.
- G. The City expects to enter into the City Obligation to finance certain real and personal property set forth in the Plan, including the Project.
- H. The City and the Agency wish to enter into the 2019 Intergovernmental Agreement in connection with the City Obligation.

III. AGREEMENT

NOW, THEREFORE, pursuant to the provisions of ORS Chapters 457 and 190, and in consideration of the benefits to accrue to the City, the Agency, the community and the citizens from this 2019 Intergovernmental Agreement, the Project and the City Obligation, and in consideration of the covenants set forth therein, and notwithstanding anything to the contrary in the Intergovernmental Agreement between the City of Fairview and the Fairview Urban Renewal Agency dated July 17, 2019, the City and Agency agree:

- 1. The Agency shall transfer Tax Increment Revenues and proceeds in amounts and at times sufficient for the City to pay debt service on the portion of the City Obligation allocable to projects in the Plan under the terms set forth in the City Obligation financing documents from those Tax Increment Revenues.
- 2. The Agency hereby irrevocably pledges the Tax Increment Revenues to make the transfers described in paragraph 1 above. The provisions of this 2019 Intergovernmental Agreement and the Agency Resolution shall be a contract with the City. The Agency has issued indebtedness in the past and reserves the right to issue indebtedness in the future on parity with this 2019 Intergovernmental Agreement.

3. The City agrees to take all steps required to qualify and maintain the City Obligation as tax-exempt obligations if issued on a tax-exempt basis.
4. The Agency agrees to take all steps required to qualify and maintain the City Obligation as tax-exempt obligations if issued on a tax-exempt basis.
5. The Agency covenants to cause the maximum amount of the Tax Increment Revenues to be collected each Fiscal Year.
6. The City and Agency have each taken the actions necessary to authorize this 2019 Intergovernmental Agreement and no challenge or appeal to such actions is pending.
7. The Authorized Representatives are authorized to execute this 2019 Intergovernmental Agreement on behalf of their respective bodies.
8. This 2019 Intergovernmental Agreement may be modified upon written mutual agreement of the City and the Agency.
9. This 2019 Intergovernmental Agreement shall be effective as of the date first listed above and shall terminate upon defeasance of the City Obligation and any obligations issued to refund the City Obligation.
10. This 2019 Intergovernmental Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

DATED as of the date first listed above.

CITY OF FAIRVIEW
MULTNOMAH COUNTY, OREGON

By _____
Nolan K. Young
City Administrator

FAIRVIEW URBAN RENEWAL AGENCY
MULTNOMAH COUNTY, OREGON

By _____
Brian Cooper
Chair, Fairview Urban Renewal Board