RESOLUTION NO. URR 10-004

A RESOLUTION ADOPTING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CANBY (CITY) REGARDING THE TRANSFER OF TAX INCREMENT REVENUES AND PROCEEDS TO THE CITY FOR THE PURPOSE OF PAYING OBLIGATION BOND FINANCING.

WHEREAS, the City and Agency wish to enter into an Intergovernmental Agreement (IGA), pursuant to ORS 190.010, regarding the transfer of tax increment revenues and proceeds accumulated by the Agency. Said funds are to be transferred to the City by the Agency in sufficient amounts to pay the 2010 Obligations under the terms set forth in the 2010 Obligation financing documents relating to a project known as the NW First Avenue Redevelopment Project;

NOW THEREFORE, IT IS HEREBY RESOLVED by the Canby Urban Renewal Agency, as follows:

(1) The Canby Urban Renewal Agency agrees to the terms and conditions of the Intergovernmental Agreement attached hereto as Exhibit "A" and authorizes and directs the Chair to sign said agreement on behalf of the Agency.

This resolution will take effect on November 3, 2010.

ADOPTED this 3rd day of November, 2010 by the Canby Urban Renewal Agency.

Melody Thompson

Melody Thompson – Chair

ATTEST:

Kimberly Scheafer

Kimberly Scheafer, CMC
City Recorder

Exhibit A

INTERGOVERNMENTAL AGREEMENT

This Agreement is executed this _____ day of November 2010, by and between the CITY OF CANBY, OREGON, a municipal corporation of the State of Oregon (the "City") and the CANBY URBAN RENEWAL AGENCY, OREGON, a public body created under ORS Chapter 457 (the "Agency").

I. DEFINITIONS

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

"2010 Obligations" means the City's Full Faith and Credit Obligations, Series 2010 in the aggregate principal amount of $ 2,500,000.00.

"Additional Debt" means obligations of the Agency in compliance with the requirements of Section III. 5. of this Agreement which are secured by a lien on, and pledge of, the Tax Increment Revenues which is on a parity with the lien on, and pledge of this Agreement.

"Agency" means the Canby Urban Renewal Agency, Clackamas County, Oregon.

"Agency Resolution" means the Agency Resolution No. 1078 adopted November 3, 2010.

"Agreement" means this Intergovernmental Agreement.

"Area" means the *Canby Urban Renewal Area* which is described in the Plan, and all additions thereto.

"Authorized Representative" means, each individually, the Canby City Administrator or Agency Director or their designee.

"City" means the city of Canby, Clackamas County, Oregon.

"City Resolution" means City Resolution No. 1077 adopted November 3, 2010.

"Obligations" mean the 2010 Obligations.

"ORS" means Oregon Revised Statutes.

"Plan" means the *Canby Urban Renewal Plan dated November 24, 1999, as amended June 23, 2009.*

"Tax Increment Revenues" means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area, all taxes levied in connection with the Plan, and all earnings thereon.

II. RECITALS

A. Pursuant to Oregon Revised Statutes ("ORS") Section 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 Canby, Oregon is charged to undertake certain redevelopment activities in the redevelopment area pursuant to ORS Chapter 457 and the Plan.

D. Pursuant to ORS 457.320 the City is authorized to exercise any of its powers to assist in the planning or the carrying out of an urban renewal plan.

E. Pursuant to ORS 271.390 the City has the power to enter into financing agreements and authorize the issuance of full faith and credit obligations on its behalf to finance and refinance real and personal property.

F. The 2010 Obligations are to be issued to finance certain real and personal property projects set forth in the Plan.

G. 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.

H. On November 3, 2010, the City will enter into a financing agreement and escrow agreement providing for the issuance of Full Faith and Credit Obligations, Series 2010 in the principal amount of $ 2,500,000.00 (the "2010 Obligations"), to finance real and personal property set forth in the Plan.

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 Agreement and the Obligations, and in consideration of the covenants set forth therein, the City and Agency agree:

1. The Agency shall transfer tax increment revenues and proceeds to the City in amounts and at times sufficient for the City to pay the 2010 Obligations under the terms set forth in the 2010 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. Except to the extent of any already existing secured claim(s), the lien on, and pledge of the Tax Increment Revenues shall be superior to all other claims against the Tax Increment Revenues. The provision of this Agreement and the Agency Resolution shall be a contract with the City. Except as otherwise agreed to, in writing, by the City, the Agency covenants and agrees that if will not incur any other form of indebtedness secured by a greater priority lien on the Tax Increment Revenues during the period any amounts are outstanding under this Agreement.

3. The Agency covenants to cause the maximum amount of the Tax Increment Revenues to be collected each Fiscal Year.

4. The Agency may incur future additional indebtedness secured by a lien on the Tax Increment Revenues subordinate to the lien of this Agreement.

5. The Agency may issue Additional Debt if, at the time of issuing the Additional Debt:

   (i) No event of default under this Agreement has occurred and is occurring; and

   (ii) The Additional Debt does not materially and adversely affect the ability of the Agency to make the transfers set forth in Section III. 1. above, as reasonably determined by the City.

6. The City and Agency have each taken the actions necessary to authorize this Agreement and no challenge or appeal to such actions is pending.

7. The parties signing below are authorized to execute this Agreement on behalf of their respective bodies.

8. This Agreement may be modified upon written mutual agreement of the City and the Agency.

9. This 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.

CITY OF CANBY
CLACKAMAS COUNTY, OREGON

By_____
Authorized Representative

CANBY URBAN RENEWAL AGENCY
CLACKAMAS COUNTY, OREGON

By_____
Authorized Representative