**RESOLUTION NO. URR 11-008**

**A RESOLUTION OF THE CITY OF CANBY URBAN RENEWAL AGENCY, CLACKAMAS COUNTY, OREGON APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CANBY REGARDING THE TRANSFER OF TAX INCREMENT REVENUES AND PROCEEDS TO THE CITY FOR THE PURPOSE OF PAYING OBLIGATION BOND FINANCING**

**WHEREAS**, the Canby Urban Renewal Agency (the "Agency") and the City of Canby, Clackamas County, Oregon (the "City") are currently planning projects set forth in the Canby Urban Renewal Plan dated November 24, 1999, as amended June 23, 2009, including the acquisition, construction, equipping and furnishing of a police station (the "Project"); and

**WHEREAS**, the City is planning to enter into a tax-exempt financing agreement and escrow agreement providing for the issuance of Full Faith and Credit Obligations, Series 2011 (the "2011 Obligations") in an expected principal amount not to exceed $9,000,000 to finance the Project.

**WHEREAS**, the Agency wishes to enter into an intergovernmental agreement whereby the Agency shall transfer to the City (1) tax increment revenues and proceeds accumulated by the Agency for the payment of the 2011 Obligations, and (2) proceeds of the sale of the property known as Lot 6 Burden legally described as T3S-R1E, Section 34, Tax Lot 01700.

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

The Canby Urban Renewal Agency agrees to the terms and conditions of the Intergovernmental Agreement attached hereby as Exhibit A (the "IGA"), and authorizes and directs the Chair or the Agency Director to sign the IGA on behalf of the Agency.

This resolution will take effect on May 4, 2011.

ADOPTED this 4th day of May 2011 by the Canby Urban Renewal Agency.

_____
Richard Ares
Chair

ATTEST:

_____
Melissa York
Deputy City Recorder

# INTERGOVERNMENTAL AGREEMENT

This Agreement is executed this 4th day of May 2011, 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, unless the context clearly requires otherwise, capitalized terms that are not listed in this section but which are defined in the Master Document shall have the meanings defined for those terms in the Master Document, and the following capitalized terms shall have the following meanings:

"2010 Intergovernmental Agreement" means the intergovernmental agreement between the City and the Agency dated as of December 1, 2010, relating to the City's Full Faith and Credit Obligations, Series 2010 (Direct Payment Federally Taxable Recovery Zone Economic Development Bonds, Downtown Project) in the principal amount of $2,500,000.

"2011 Obligations" or "Obligations" means the City's Full Faith and Credit Obligations, Series 2011 expected in the aggregate principal amount not to exceed $9,000,000.

"Additional Debt" means obligations of the Agency in compliance with the requirements of Section III. 2. 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. URR 11-008 adopted May 4, 2011.

"Agreement" means this Intergovernmental Agreement.

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

"Authorized Representative of the Agency" means, each individually, the Chair or the Agency Director or their designee.

"Authorized Representative of the City" means, each individually, the City Administrator or their designee.

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

"City Resolution" means City Resolution No. 1095 adopted May 4, 2011.

"Master Document" means the Bond Purchase Agreement between the Agency and U.S. Bank National Association that is dated as of July 22, 2008, that relates to the Agency's Urban Renewal Bond, Series 2008 which was authorized by the Agency Resolution No. URR 08-004.

"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 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 2011 Obligations are to be issued to finance certain real and personal property projects set forth in the Plan, including the acquisition, construction, equipping and furnishing of a new police station.

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. The City expects to enter into a financing agreement and escrow agreement in July 2011, providing for the issuance of Full Faith and Credit Obligations, Series 2011 in the principal amount not to exceed $9,000,000 (the "2011 Obligations"), to finance real and personal property set forth in the Plan.

I. The Agency plans to transfer to the City the proceeds of sale of the property known as Lot 6 Burden legally described as T3S-R1E, Section 34, Tax Lot 01700 for the purpose of partially financing the Project, either directly or by payment on the 2011 Obligations.

## 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 2011 Obligations under the terms set forth in the 2011 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 obligation of the Agency to make the transfers described in paragraph 1. above, shall constitute "Parity Indebtedness." The lien on, and pledge of the Tax Increment Revenues shall be equal to the lien and pledge that secures all Parity Indebtedness. The provision of this Agreement and the Agency Resolution shall be a contract with the City. The Agency has issued Parity Indebtedness in the past and reserves the right to issue Parity Indebtedness in the future as permitted by the Master Document. The Agency is not required to create or fund a bond reserve account in connection with this Agreement. The Agency covenants and agrees that it 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. Upon the sale of the property known as Lot 6 Burden, described above, the Agency shall transfer the Agency's net proceeds of the sale to the City.

4. The City agrees to take all steps required to qualify and maintain the 2011 Obligations as tax-exempt obligations.

5. The Agency agrees to take all steps required to qualify and maintain the 2011 Obligations as tax-exempt obligations.

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

7. The Agency may incur additional indebtedness secured by a lien on the Tax Increment Revenues subordinate to the lien of this Agreement as provided in the Master Document. Parity liens are permitted in accordance with Section 2. above.

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

9. The Authorized Representatives are authorized to execute this Agreement on behalf of their respective bodies.

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

11. This Agreement shall be effective as of the date first listed above and shall terminate upon defeasance of the 2011 Obligations and any obligations issued to refund the 2011 Obligations.

12. 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_____
Randy Carson, Mayor

CANBY URBAN RENEWAL AGENCY
CLACKAMAS COUNTY, OREGON

By_____
Rich Ares, Chair