



FAIRVIEW URBAN RENEWAL AGENCY

Zoom Meeting

Join: <https://us06web.zoom.us/j/83927376577>

Meeting ID: 839 2737 6577

Passcode: 1908

Join by Phone: 253-215-8782

WEDNESDAY, NOVEMBER 17, 2021

1. Call to Order Immediately Following City Council Regular Session
Roll Call

2. Authorize Signature of an IGA with the City of Fairview Regarding the Transfer of Tax (A)
Increment Revenues and Proceeds for the Purpose of Paying Financing Payments of the City:
Resolution 4-2021
(Nolan Young, City Administrator)

3. Adjournment (A)

INSTRUCTIONS TO CITIZENS FOR PUBLIC TESTIMONY REGARDING AGENDA ITEMS

Citizens wishing to testify during this meeting are asked to notify the City Recorder, Devree Leymaster at 503-674-6224 or email (leymasterd@ci.fairview.or.us) at least 24 hours prior to the start of the meeting. The City strongly encourages individuals, who have the ability, to submit their testimony in writing 24-hours in advance to the City Recorder to ensure delivery of the testimony to the Board. Persons unable to provide written comments in advance are encouraged to notify the City Recorder 24-hours in advance of the meeting so alternative arrangements may be made.

(A) Action requested (I) Information only

NEXT URBAN RENEWAL AGENCY MEETING IS TBD.

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.



AGENDA STAFF REPORT

MEETING DATE	AGENDA ITEM #	REFERENCE NUMBER
November 17, 2021	2.	2021-04

TO: URA Board Members
FROM: Nolan K. Young, City Administrator
DATE: November 12, 2021

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.
- Action Item #1: Complete and open Fairview Food Cart Pod.
 - Action Item #2: Construct pedestrian/bicycle undercrossing railroad on NE 223rd Lord Sandy Boulevard.
 - Action Item #7: Design and pursue funding for construction of sidewalk improvements on NE 223rd from Halsey to Sandy.
 - Action Item #10: Identify and pursue preferred development for Part of Fairview Property

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 \$6 million in financing to continue carrying out the URA Plan. Ordinance 7-2021 authorizes the City to authorize financing agreements and notes with a principal amount not to exceed \$6,000,000.

The proposed notes will be a combination of tax-exempt and taxable financing. Tax-exempt notes in the amount of \$1,800,000 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 and managing those projects. Tax-exempt funding would be repaid over no more than 20 years. Taxable notes in the amount of \$4,200,000 will be used to finance the construction of Fairview Food Plaza, re-development of Part of Fairview property, 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 no more than twenty years.

Resolution 4-2021 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 4-2021, authorizing the Agency to sign the proposed IGA.

ALTERNATIVE ACTIONS:

Choose **not** to approve the proposed resolution and **not** authorize the \$6,000,000 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 FY21-22 URA budget. Current projections indicate that the TIF will be sufficient to cover debt service payments.

CITY COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** Move to adopt Resolution 4-2021, approving execution of the proposed IGA.
2. Decline to adopt Resolution 4-2021 and determine an alternate way to finance URA projects.



RESOLUTION
(4-2021)

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 the development and construction of the Fairview Food Plaza, and other projects described in the Fairview Urban Renewal Plan dated November 7, 2018, as amended November 4, 2020 (the “Plan”), including construction of water system well #10, certain pedestrian, bike and street improvements, public utility system development charges, public art, redevelopment assistance, administration, other projects included in the Plan, and costs of issuance (collectively the “Project”), in a principal amount not to exceed \$6,000,000; and

WHEREAS, the City is planning to enter into one or more tax-exempt and/or taxable financing agreements in an amount not to exceed \$6,000,000 to finance the Project (the “Financing Agreement”); 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 Financing Agreement allocable to Projects in the Plan at the times, in amounts and under the terms determined by the City.

NOW, THEREFORE, IT BE RESOLVED BY THE FAIRVIEW URBAN RENEWAL AGENCY BOARD 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 designee (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 Financing Agreement and IGA in the principal amount not to exceed \$6,000,000. 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 date of its passage.

Resolution adopted by the Fairview Urban Renewal Agency Board, this 17th day of November, 2021.

Fairview Urban Renewal Agency Board Chair
Brian Cooper

ATTEST

City Recorder, City of Fairview
Devree Leymaster

Date

EXHIBIT A

2021 INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF
FAIRVIEW AND THE FAIRVIEW URBAN RENEWAL AGENCY

This 2021 Intergovernmental Agreement is executed this ____ day of _____ 2021, 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 2021 Intergovernmental Agreement, unless the context clearly requires otherwise, capitalized terms shall have the following meanings:

“2019 Intergovernmental Agreement” means the intergovernmental agreement between the City and the Agency dated as of September 26, 2019, relating to the 2019 Obligations.

“2019 Obligations” means collectively, the City’s \$1,300,000 Taxable Financing Agreement and Note, Series 2019 and \$2,160,000 Tax-Exempt Financing Agreement and Note, Series 2019B, dated September 26, 2021.

“2021 Intergovernmental Agreement” means this intergovernmental agreement between the City and the Agency dated as of _____, 2021, relating to the Series 2021 Obligations.

“2021 Obligations” means the City’s \$_____ Full Faith and Credit Obligations, Series 2021A and \$_____ Full Faith and Credit Obligations, Series 2021B.

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

“Agency Resolution” means the Agency Resolution No. _____ adopted November 17, 2021.

“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 any of their designee.

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

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

“ORS” means Oregon Revised Statutes.

“Parity Indebtedness” means obligations issued which are secured by a lien on, and pledge of, the Tax Increment Revenues which is on parity with the lien on, and pledge of, the Tax Increment Revenues securing this 2021 Intergovernmental Agreement and the 2019 Intergovernmental Agreement.

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

“Project” means projects set forth in the Fairview Urban Renewal Plan dated November 7, 2018 (the “Plan”), including _____ and other projects included in the Plan (collectively the “Project”) and costs of issuance of the financing, in a principal amount not to exceed \$6,000,000.

“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 and the Agency previously entered into the 2019 Intergovernmental Agreement in connection with the 2019 Obligations.

- H. The City expects to enter into a financing and escrow agreement providing for the issuance of the 2021 Obligations to finance certain real and personal property set forth in the Plan, including the Project.
- I. The City and the Agency wish to enter into the 2021 Intergovernmental Agreement in connection with the 2021 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 2021 Intergovernmental Agreement, the Project and the Series 2021 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 in amounts and at times sufficient for the City to pay debt service on the portion of the Series 2021 Obligations allocable to projects in the Plan under the terms set forth in the Series 2021 Obligations financing documents from those Tax Increment Revenues. The debt service schedules allocable to Projects in the Plan are attached as Exhibit A. Any prepayment shall be mutually agreeable to the City and the Agency.
- 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 to the 2021 Obligations shall be equal to the lien and pledge that secures all other Parity Indebtedness. The provisions of this 2021 Intergovernmental 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. 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 2021 Intergovernmental Agreement.
- 3. The City agrees to take all steps required to qualify and maintain the Series 2021 Obligations 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 Series 2021 Obligations 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 2021 Intergovernmental Agreement and no challenge or appeal to such actions is pending.

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7. The Authorized Representatives are authorized to execute this 2021 Intergovernmental Agreement on behalf of their respective bodies.
8. This 2021 Intergovernmental Agreement may be modified upon written mutual agreement of the City and the Agency.
9. This 2021 Intergovernmental Agreement shall be effective as of the date first listed above and shall terminate upon defeasance of the Series 2021 Obligations and any obligations issued to refund the Series 2021 Obligations.
10. This 2021 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 _____
Authorized Representative

FAIRVIEW URBAN RENEWAL AGENCY
MULTNOMAH COUNTY, OREGON

By _____
Authorized Representative