

**INTERGOVERNMENTAL AGREEMENT RELATED TO
THE LENDING OF \$5,000,000.00
BY THE CITY OF HERMISTON
TO THE URBAN RENEWAL AGENCY OF THE CITY OF HERMISTON**

THIS INTERGOVERNMENTAL AGREEMENT (this “Agreement”) is entered into between the City of Hermiston, an Oregon municipal corporation established under ORS Chapter 221 (the “City”), and the Urban Renewal Agency of the City of Hermiston, a municipal corporation established under ORS Chapter 457 and duly activated by the City (“HURA”).

RECITALS:

- A. WHEREAS, the City of Hermiston North Urban Renewal Plan (the “Plan”) was developed by HURA and approved by the City on July 23, 2023, by Ordinance No. 2347, which established the Hermiston North Urban Renewal Area (the “Area”) and identified urban renewal projects, as defined by ORS 457.010(20), that are anticipated to enhance the Area;
- B. WHEREAS, the Board of HURA and the Council of the City have determined that a need exists to provide funds for the construction of the NE Aspen Avenue extension project contemplated by the Plan in the amount of \$5,000,000.00 (the “Program”);
- C. WHEREAS, HURA does not currently have sufficient revenues to fund the capital construction costs;
- D. WHEREAS, the City and HURA have determined that financing the Program through an intergovernmental agreement is financially feasible, and is in the parties' best interests; and
- E. WHEREAS, ORS 190.010 authorizes the City and HURA to enter, and the City and HURA desire to enter into an intergovernmental agreement,

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants contained in this Agreement, and other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Section 1: Term and Termination. This Agreement shall become effective upon the date of the last signature hereon, and shall continue in full force and effect until the Loan (defined below) is paid in full. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the parties prior to termination.

Section 2: Duties of the City. The City shall authorize all actions and execute all documents necessary or desirable to loan to HURA Five Million and 00/100 Dollars (\$5,000,000.00) (the “Loan”). In so doing, the City shall comply with the laws of the State of Oregon including, without limitation, the provisions of ORS 279B.220, 279B.225, 279B.230, and 279B.235, which by this reference are made a part hereof, and the terms and conditions contained within this Agreement.

The City shall be responsible for the expenses incurred for its activities in the performance of this Agreement.

Section 3: Duties of HURA. HURA shall authorize all actions and execute all documents necessary or desirable to accept the Loan. In so doing, HURA shall comply with the laws of the State of Oregon including, without limitation, the provisions of ORS 279B.220, 279B.225, 279B.230, and 279B.235, which by this reference are made a part hereof, and the terms and conditions contained within this Agreement. City shall be responsible for the expenses incurred for HURA's activities in the performance of this Agreement.

Section 4: Loan Terms. The Loan will be made from the City's General Fund in the principal amount of \$5,000,000.00 to fund the Program and administrative costs related thereto and related to the construction of improvements in the North Urban Renewal Area. Interest on the Loan shall accrue at the rate of 1.00% per annum commencing on the date of transfer. HURA shall repay the Loan in annual installments due on or before the first day of each calendar year equal to the lesser of (i) accrued interest plus a principal amount sufficient to fully amortize the Loan over its remaining term or (ii) tax increment collected by HURA. The Loan, plus all accrued interest thereon, shall be repaid in full not later than the twentieth (20th) anniversary of this Agreement. HURA hereby pledges its tax increment revenues within the North Urban Renewal Area to repay the Loan, and this Agreement shall constitute an indebtedness of HURA, as defined by the Oregon Constitution, Article IX, Section 1C. The pledge of the tax increment revenues shall be superior to all other pledges or commitments of tax increment revenue that HURA makes, unless the City agrees in writing to subordinate its claim against the tax increment revenues.

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 this 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 this 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.

CITY OF HERMISTON

Mayor

Date

THE URBAN RENEWAL AGENCY OF THE CITY OF HERMISTON

Chair, Board of Directors

Date