



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: October 17, 2022		Subject: Resolution No. 2998 Intergovernmental Agreement (IGA) – City and Urban Renewal Agency/Year 2000 Plan to Lend and Repay \$4,000,000 Staff Member: Keith Katko, Finance Director Department: Finance Department	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments: Action provides resources to fund FY 2022-23 Urban Renewal/Year 2000 Plan projects, including 5 th Street Kinsman (CIP 4196) and Boeckman Dip Bridge (CIP 4212). Action completes the maximum indebtedness available for the Year 2000 Plan.	
Staff Recommendation: Staff recommends Council adopt the Consent Agenda.			
Recommended Language for Motion: I move to adopt the Consent Agenda.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

City Council action is needed to approve an Intergovernmental Agreement (IGA) for an overnight loan between the City of Wilsonville and the Urban Renewal (UR) Agency for \$4,000,000.

EXECUTIVE SUMMARY:

Under state law for urban renewal (ORS 457.435 and ORS 457.440), tax increment collections may only be spent to pay principal and interest on indebtedness. A General Fund overnight loan to the Urban Renewal (UR) Agency serves to release the tax collections for urban renewal funded capital projects. This strategic financing arrangement allows the City to save on the expenses associated with outside bonding.

The City's General Fund has the capacity to loan the funds on an overnight basis and the UR Year 2000 Plan District will have sufficient cash balances in its debt service fund to allow for repayment. The UR Agency is able to borrow from the City's General Fund provided both the City and Agency agree to the terms of the borrowing and it serves a public purpose. The terms of the borrowing are as follows:

- The City will lends to the UR Agency \$4,000,000 at the existing Oregon Short Term Fund savings rate at date of overnight loan.
- The overnight loan will take place before FYE 2023 and upon collection of adequate UR tax proceeds to pay back the loan the next day. The UR Agency will repay the amount from tax increment funds on hand the day after receipt of the loan.
- Total borrowing is subordinate to outstanding senior lien debt and will fully complete the plans maximum indebtedness.

EXPECTED RESULTS:

Authorizing the IGA by the respective resolution of the City and the UR Agency will provide cash resources of \$4,000,000 to pay for costs associated with the 5th Street Kinsman (CIP 4196) and Boeckman Dip Bridge (CIP 4212) projects. Action fully completes maximum indebtedness for the Plan.

TIMELINE:

The IGA anticipates the loan and repayment occurring before FYE 2023; upon collection of adequate UR tax proceeds to pay back the loan the next day.

CURRENT YEAR BUDGET IMPACTS:

This loan and the repayment were included in the adopted FY 2022-23 City and UR Agency budgets.

COMMUNITY INVOLVEMENT PROCESS:

This loan and the repayment were included as part of the adopted FY 2022-23 UR Agency budget process.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

The borrowing will not directly impact local businesses or neighborhoods, however, the construction projects to be funded will have significant positive impact on both.

ALTERNATIVES:

Engage in borrowing from a financial institution. Using this process would take more time and cost the Urban Renewal Agency significantly more money.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 2998
 - A. Intergovernmental Agreement between the City of Wilsonville and the Urban Renewal Agency