

RESOLUTION NO. 2022-02

A RESOLUTION OF THE JOHN DAY URBAN RENEWAL AGENCY APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF JOHN DAY

WHEREAS, the John Day Urban Renewal Agency (the “Agency”) is authorized by Oregon Revised Statutes Section 190.010 to enter into a written agreement with any other unit or units of local government for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have authority to perform; and

WHEREAS, the Agency Board of Directors has identified a need to finance certain public works improvements as approved through Agency’s Urban Renewal Area Plan (the “Plan”); and

WHEREAS, these improvements consist of water, sewer, stormwater, reclaimed water, broadband, streets and other publicly-owned infrastructure to serve the Holmstrom Heights, Ironwood Estates – Phase 2, and The Ridge – Phase 1 additions to the City of John Day (collectively, the “Project Improvements”); and

WHEREAS, the Project Improvements will ultimately be deeded to the City of John Day (the “City”) upon recording of the final plat for each addition; and

WHEREAS, the Project Improvements are specifically authorized in the Plan’s Land Development Incentive Program and/or Infrastructure Investment Program;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE JOHN DAY URBAN RENEWAL AGENCY, GRANT COUNTY, OREGON HEREBY RESOLVES:

SECTION 1. Intergovernmental Agreement Approved. The Agency’s Board of Directors hereby authorizes Ron Lundbom, Chair and Nicholas Green, Managing Director, to sign and effect an intergovernmental agreement with the City to transfer tax increment revenues from Agency to City, substantially in the form shown in Exhibit A.

SECTION 5. Effective Date. This resolution is effective immediately upon adoption.

ADOPTED by the Board of Directors of the John Day Urban Renewal Agency, Grant County, Oregon this 24th day of May, 2022.

**JOHN DAY URBAN RENEWAL AGENCY
GRANT COUNTY, OREGON**

Ron Lundborn, Chair

ATTEST:

Nicholas Green, Managing Director

Exhibit A. Intergovernmental Agreement

[Enclosed]

**Intergovernmental Agreement to Transfer Tax Increment Revenues
of the John Day Urban Renewal Area
to the City of John Day to pay a Special Public Works Fund Loan**

This Intergovernmental Agreement (the “Intergovernmental Agreement”) is dated as of May 24, 2022, and is entered into by and between the John Day Urban Renewal Agency (the “Agency”) and the City of John Day, Oregon (the “City”). The parties hereby agree as follows:

Section 1. Definitions and Recitals.

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement that are defined in this Section 1(1) shall have the following meanings:

“Area” means the John Day Urban Renewal Area described in the Plan.

“IFA Contract” means the contract with the Oregon Infrastructure Finance Authority under which the City obtains a loan in the amount of not more than \$1,850,000 from the Special Public Works Fund to finance the Projects.

“Plan” means the Agency’s John Day Housing Incentives Plan approved by City Ordinance No. 18-173-03, adopted on June 12, 2018, as that plan has been, and may in the future be, amended.

“Project(s)” means projects described in the Plan and its subsequent amendments, including the New Home Incentive Program, Existing Home Remodel Program, Land Development Incentive Program, and Infrastructure Investment Program.

“Tax Increment Revenues” means all revenues that the Agency collects for the Area under the provisions of Article IX, Section 1c of the Oregon Constitution and Oregon Revised Statutes Chapter 457.

(2) Findings.

- (A) The City has entered into the IFA Contract to finance costs of the Projects.
- (B) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Projects.
- (C) This process enables significant cost savings, through reduced interest rates and fees, for the Agency by having the City as applicant.
- (D) The Projects will assist the Agency in carrying out its Plan.

- (E) The Agency will only spend the proceeds of the IFA Contract on Projects if the Projects are described in the Plan, located in the Area, and owned by the City or the Agency.
- (F) The Agency will appropriate funding needed for payments in each years' budget.
- (G) The Agency has \$4,305,162 of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

Section 2. Payments.

- (1) The payments due from the City under the IFA Contract are shown in the attached Exhibit A.
- (2) The Agency hereby agrees to pay to the City the amount of each payment due from the City under the IFA Contract, not less than one business day prior to the date each payment is due.
- (3) This Intergovernmental Agreement shall constitute indebtedness of the Agency. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to Oregon Revised Statutes Section 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.2 of this Intergovernmental Agreement. This pledge shall be subordinate to the tax increment indebtedness of the Agency that are outstanding on the date this Intergovernmental Agreement is executed, but shall be superior to all other obligations of the Agency except to the extent that the City subsequently agrees in writing to subordinate this pledge.

Section 3. Estoppel.

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency that is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

Section 4. Miscellaneous.

- (1) Binding Effect.

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

(4) Execution in Counterparts.

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

(5) Applicable Law.

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Linn County, Oregon.

(6) Rules of Construction.

References to section numbers in documents that do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

For the John Day Urban Renewal Agency

Nicholas Green, Executive Director

For the City of John Day, Oregon

Ron Lundbom, Mayor

Exhibit A. IFA Agreement

[Enclosed]