CITY of DUNDEE Oregon

NOTICE OF DUNDEE URBAN RENEWAL AGENCY SPECIAL SESSION

NOTICE IS HEREBY GIVEN that on Tuesday, May 23, 2017 at 7:00 P.M. at Dundee City Hall, 620 SW 5th Street; the Dundee Urban Renewal Agency will meet to:

1. Approve the Minutes from the January 17, 2017 Dundee Urban Renewal Agency Meeting
2. Discuss the Agreement for Construction and Financing of Conduit for the Undergrounding of Overhead Utilities

The location of the meeting is accessible to the disabled. If you need any special accommodations to attend or participate in the special session, please notify City Hall 24-hours before the meeting. For further information, please contact City Hall at 503-538-3922.

DURA AGENDA R E P O R T

To: Chair Russ and Board of Directors

From: Rob Daykin, Executive Director

Date: May 18, 2017

Re: Special Meeting – Underground Project IGA

Dundee City Council approved the attached agreement authorizing the City to construction sidewalks with conduit to facilitate the future undergrounding of overhead utilities and with repayment from the Urban Renewal Agency to the City for the cost of the conduit installation. This project was specifically identified in the recently adopted Dundee Urban Renewal Plan. Street maintenance funds will be used to finance this project. A five year term is proposed with the loan in order to replace the funds needed by the City in order to conduct timely and vital maintenance activities to preserve the overall street condition and avoid increased maintenance deferral costs. Without this loan the City may opt to delete the conduit installation from its sidewalk/streetscape project, making future undergrounding efforts much more difficult and expensive.

The following table shows the loan payment and future urban renewal annual tax levies with assumptions of 1%, 3% and 5% annual growth from new development assessed value.

	Loan	1% New AV/Per Year		3% New AV/Per Year		5% New AV/Per Year	
	Payments	Levy	Excess	Levy	Excess	Levy	Excess
May 1, 2019	$ 25,000	$ 39,113	$ 14,113	$ 59,259	$ 34,259	$ 79,772	$ 54,772
May 1, 2020	$ 50,000	$ 59,848	$ 9,848	$ 91,568	$ 41,568	$ 124,510	$ 74,510
May 1, 2021	$ 75,000	$ 81,417	$ 6,417	$ 125,834	$ 50,834	$ 172,829	$ 97,829
May 1, 2022	$ 100,000	$ 103,842	$ 3,842	$ 162,145	$ 62,145	$ 225,006	$ 125,006
May 1, 2023	$ 100,000	$ 127,179	$ 27,179	$ 200,635	$ 100,635	$ 281,363	$ 181,363
Totals	$ 350,000	$ 411,399	$ 61,399	$ 639,441	$ 289,441	$ 883,480	$ 533,480

The source of the urban renewal tax levy assumptions are from the Report on the Dundee Urban Renewal Plan and represents the increase in assessed value over the State of Oregon Constitution 3% assessed value change formula. The 1% model represents current conditions; however, the expectation is as new development is spurred through strategic use of urban renewal the annual rate will increase. The excess column represents uncommitted urban revenue taxes after repaying the City.

The amounts available for other Urban Renewal projects will depend on the growth of assessed value from new development, and their use may depend on opportunities not yet known to leverage private

investment. Should the Agency find the loan schedule too restrictive, the terms of the agreement may be modified in writing by both parties.

Recommendation: Motion approving and authorizing Chair Russ to execute the Agreement between the City of Dundee and the Dundee Urban Renewal Agency for Construction and Financing of Conduit for the Undergrounding of Overhead Utilities.

AGREEMENT FOR CONSTRUCTION AND FINANCING
OF CONDUIT FOR THE UNDERGROUNDING OF OVERHEAD UTILITIES

This Agreement is by and between the City of Dundee, a municipal corporation of the State of Oregon, ("Dundee") and the Dundee Urban Renewal Agency, a statutory urban renewal agency of the State of Oregon ("DURA").

RECITALS

WHEREAS, DURA was lawfully established and the Dundee City Council has adopted an urban renewal plan (the "Plan") in accordance with statutory procedures; and

WHEREAS, Dundee entered into funding agreements with the Oregon Department of Transportation for the construction of sidewalk and streetscape improvements (Project) along Highway 99W between Second Street and Twelfth Street; and

WHEREAS, the Project scope was expanded to include installation of conduit under the new sidewalks to facilitate the efficient undergrounding of overhead utilities and Dundee Street CIP Fund monies for the conduit installation were approved in the FY 2017-18 Budget; and

WHEREAS, Dundee completed an update to the Pavement Management Plan in February 2017 and monies budgeted for the conduit installation were originally anticipated for street maintenance over the next five years in order to maintain the current street network overall condition; and

WHEREAS, the installation of conduit for future undergrounding was specifically identified as an improvement in Appendix B: Schedule of Projects of the Report on the Urban Renewal Plan; and

WHEREAS, DURA desires that Dundee act as the construction and financing agent of the DURA with regard to the conduit for the undergrounding of overhead utilities constructed with the Project with use of city funds; and

WHEREAS, Dundee has completed the preparation of plans and specifications and lawfully obtained competitive bids for the construction of the Project; and

WHEREAS, DURA must enter into an agreement issuing or incurring debt payable by DURA to authorize payment of funds to Dundee; and

WHEREAS, Dundee and DURA are authorized to enter into this intergovernmental agreement pursuant to ORS 190.101.

NOW THEREFORE, THE CITY OF DUNDEE AND THE DUNDEE URBAN RENEWAL AGENCY AGREE AS FOLLOWS:

AGREEMENT

1. Dundee agrees to undertake and construct conduits for future undergrounding with city funds at an estimated cost of $320,000.

2. DURA and Dundee agree that such construction is being undertaken by Dundee as a part of the fulfillment of the DURA Plan and in furtherance thereof, and at the request of DURA.

3. DURA covenants and agrees to repay to the Street CIP Fund of Dundee the actual cost of construction of the conduits with the Project, including construction engineering and inspections, not to exceed $350,000. Dundee and DURA understand and agree that such agreement and covenant shall constitute an indebtedness issued or incurred by DURA to carry out the Plan as such indebtedness is contemplated and authorized pursuant to ORS 457.010 to ORS 437.470.

4. DURA agrees to make payments to the Dundee Street CIP Fund as follows:

May 1, 2019	$25,000
May 1, 2020	$50,000
May 1, 2021	$75,000
May 1, 2022	$100,000
May 1, 2023	Balance of the actual cost of construction not exceeding $100,000

5. Dundee and DURA understand and agree that the conduits constructed and financed pursuant to this agreement shall be owned and maintained by Dundee. DURA shall have no ownership in the conduits and shall have no obligation to maintain the conduits.

6. Dundee and DURA understand and agree that DURA reserves and maintains its authority to issue or incur additional subordinate or parity debt pursuant to ORS 457.010 to ORS 437.470.

7. This Agreement may be modified by mutual written consent of the parties. Any modification to a provision of this Agreement shall have no effect upon other provisions in this Agreement unless stated in writing.

8. This Agreement shall remain in effect until terminated by the parties as provided in this Section. This Agreement may be terminated by mutual consent of the parties. Termination of this Agreement shall not affect the duties and obligations of the parties that accrued prior to the termination, including any bond loan or other repayment

obligations.

9. This Agreement is effective upon the latest date it is executed by the parties below.

IN WITNESS WHEREOF the parties, by the signatures of their authorized representatives, have executed this agreement effective on the date shown below each signature.

CITY OF DUNDEE

By:_____
David Russ, Mayor

_____
Date

ATTEST:

By:_____
Rob Daykin, City Administrator-Recorder

_____
Date

DUNDEE URBAN RENEWAL AGENCY

By:_____
David Russ, Chair

_____
Date

ATTEST:

By:_____
Rob Daykin, Executive Director

_____
Date