

DUNDEE URBAN RENEWAL AGENCY MEETING

Board Meeting Agenda

Dundee Fire Station Community Room
801 N. Highway 99W
Dundee, OR 97115

TELECONFERENCED MEETING OPEN TO THE PUBLIC IN-PERSON OR VIA ZOOM

Join Zoom Meeting:

<https://us02web.zoom.us/j/81025921745>

Or Via Phone: +1-301-715-8592

Meeting ID: 810 2592 1745

November 21, 2023

8:00 PM*

- 1. Call to Order**
- 2. Amendments to the Agenda, if needed**
- 3. Public Comment:** Speakers will be allowed up to 3 minutes to speak after being recognized by the Chair.
- 4. Update on Urban Renewal Financials**
- 5. Resolution No. 2023-3, Approving an Intergovernmental Agreement with the City of Dundee**
- 6. Agency Member Concerns**
- 7. Adjourn**

*Or immediately following City Council meeting.

City of Dundee - Summary of Outstanding Debt (as of 11/13/2023)

<u>Borrowing Facility</u>	<u>Lender</u>	<u>Issue Date</u>	<u>Project</u>	<u>Security</u>	<u>Payment Source</u>	<u>Final Maturity</u>	<u>Outstanding (6/30/2023)⁽¹⁾</u>	<u>Applicable to Charter Debt Limit?</u>
2023 OTIB Loan #0074	State of OR (OTIB)	3/2/2023	9th Street Project	FF&C	Urban Renewal TI	12/1/2033	\$1,387,433.00	No, State loans excepted
2021 Installment Purchase Agreement	US Bancorp Govt Leasing	7/2/2021	Water Tender	Property	Equipment Reserve Fund	7/2/2026	\$188,557.43	No, not secured by FF&C
2017 OTIB Loan #0063	State of OR (OTIB)	TBD/2017	Streets/sidewalks	FF&C	Street Fund	6/1/2030	\$583,078.07	No, State loans excepted
2015 Installment GO Bond	USDA-RD	2/24/2015	Fire Station	UTGO	Ad valorem property tax	2/24/2040	\$1,956,486.26	No, voted GOs exempted per Charter
2013 OTIB Loan #0047	State of OR (OTIB)	7/1/2013	Overlays	FF&C	Street Fund	1/25/2035	\$185,674.08	No, State loans excepted
2013 OTIB Loan #0046	State of OR (OTIB)	7/1/2013	Bypass Phase I	FF&C	Street Fund	7/1/2037	\$226,467.15	No, State loans excepted
2012 DEQ CWSRF Loan	State of OR (DEQ)	12/29/2010 (+amendments)	WW treatment plant	FF&C/WW revs	WW revenues	11/1/2032	\$5,313,198.00	No, State loans excepted

(1) From D/S schedules; may not match to ACFR Note.

City Charter Debt Limit = 1.5% of AV

2023-24 City AV	\$	375,040,952	per Yamhill Co Assessor
Limit	\$	5,625,614	
Debt Subject to Limit	\$	-	
Remaining Capacity	\$	5,625,614	

City of Dundee - Combined FF&C-secured payments (all self-supporting)

Updated as of 11/13/2023

<u>Fiscal Year</u>	<u>2017 + 2013</u>			<u>Total</u>
	<u>2023 OTIB (TI)</u>	<u>OTIBs (Streets)</u>	<u>2012 DEQ (WW)</u>	
2024	19,215.95	109,049.44	648,168.00	776,433.39
2025	38,431.89	129,422.44	645,584.00	813,438.33
2026	176,300.00	129,422.44	642,944.00	948,666.44
2027	176,300.00	129,422.44	640,247.00	945,969.44
2028	176,300.00	129,422.44	637,491.00	943,213.44
2029	176,300.00	129,422.44	634,676.00	940,398.44
2030	176,300.00	121,598.24	631,800.00	929,698.24
2031	176,300.00	38,729.00	628,862.00	843,891.00
2032	176,300.00	38,729.00	625,860.00	840,889.00
2033	176,300.00	38,729.00	295,307.00	510,336.00
2034	-	38,729.00	-	38,729.00
2035	-	36,409.48	-	36,409.48
2036	-	20,373.00	-	20,373.00
2037	-	20,373.00	-	20,373.00
2038	-	5,520.46	-	5,520.46
2039	-	-	-	-
2040	-	-	-	-
	1,468,047.84	1,115,351.82	6,030,939.00	8,614,338.67

City of Dundee - UR/TIF Revenue History & Projections (updated/estimated as of 11/13/2023)

	Historical:					Projected (Indicative):				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
TI Revenues (2023 base)	51,121	99,403	151,893	165,183	208,873	291,694	315,030	340,232	367,451	396,847
TI Revenues (new Project dev)	-	-	-	-	-	-	159,293	318,155	424,208	458,144
Total TI Revenues						291,694	474,323	658,387	791,658	854,991
<i>(Annual growth)</i>		94.4%	52.8%	8.7%	26.4%					
Admin/M&S Expenditures	8,931	4,306	281	9,457	13,253	15,000	20,000	25,000	25,000	25,000
Available for Debt	42,190	95,097	151,612	155,726	195,620	276,694	454,323	633,387	766,658	829,991
Transfers/Capital Outlay	25,000	62,148	135,000	-	80,000	375,000	-	-	500,000	-
Debt/Obligations										
Payment on 2023 OTIB loan						19,216	38,432	176,300	176,300	176,300
2023 Line of Credit (\$3MM)						65,000	195,000	-	-	-
Long-term Takeout/New Bonds (\$3MM)						-	-	401,464	401,464	401,464
Future Long-Term Bonds (\$3MM)						-	-	-	-	-
Subtotal - Debt	-	-	-	-	-	84,216	233,432	577,764	577,764	577,764
Debt Coverage	n/a	n/a	n/a	n/a	n/a	3.29	1.95	1.10	1.33	1.44
Revenues Remaining	17,190	32,949	16,612	155,726	115,620	(182,522)	220,891	55,623	(311,106)	252,227
Fund Balance	17,190	50,139	66,751	222,477	338,097	155,575	376,466	432,089	120,984	373,211

City of Dundee - UR/TIF Revenue History & Projections (updated/estimated, as of 11/13/2023) [continued]

	Projected (Indicative):							
	2029	2030	2031	2032	2033	2034	2035	2036
TI Revenues (2023 base)	414,705	433,366	452,868	473,247	494,543	516,798	540,053	564,356
TI Revenues (new Project dev)	478,761	500,305	522,819	546,346	570,931	596,623	623,471	651,527
Total TI Revenues	893,466	933,672	975,687	1,019,593	1,065,474	1,113,421	1,163,525	1,215,883
Admin/M&S Expenditures	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Available for Debt	868,466	908,672	950,687	994,593	1,040,474	1,088,421	1,138,525	1,190,883
Transfers/Capital Outlay	-	500,000	-	-	1,000,000	-	-	-
Debt/Obligations								
Payment on 2023 OTIB loan	176,300	176,300	176,300	176,300	176,300	176,300	-	-
2023 Line of Credit (\$3MM)	-	-	-	-	-	-	-	-
Long-term Takeout Bonds (\$3MM)	401,464	401,464	401,464	401,464	401,464	401,464	401,464	-
Future Long-Term Bonds (\$3MM)	-	-	-	-	-	388,514	388,514	388,514
Subtotal - Debt	577,764	577,764	577,764	577,764	577,764	966,278	789,978	388,514
Debt Coverage	1.50	1.57	1.65	1.72	1.80	1.13	1.44	3.07
Revenues Remaining	290,701	(169,093)	372,923	416,829	(537,290)	122,143	348,547	802,370
Fund Balance	663,912	494,819	867,742	1,284,571	747,281	869,424	1,217,970	2,020,340

City of Dundee - Max Indebtedness calculation (estimated as of 11/13/2023)

Max Indebtedness = 3.0% of RMV (in year of UR Plan adoption)

RMV (2016-17) \$ 377,927,708
Max Indebtedness \$ 11,337,831

Historical Expenditures/Debt

FY 2018-19	\$ 38,400	<i>*budgeted amount</i>
FY 2019-20	\$ 33,281	
FY 2020-21	\$ 135,281	
FY 2021-22	\$ 103,000	
FY 2022-23	\$ 13,253	
2023 OTIB Loan #0074	\$ 1,387,433	
FY 2023-24	\$ 75,000	<i>*budgeted amount</i>
Total	\$ 1,785,648	

**Estimated
Remaining Capacity
(as of 10/30/203) \$ 9,552,183**

Projected Expenditures to FY2023-24 Project/Financing

FY 2023-24 (remaining)	\$ 300,000	<i>(estimated contrib to Project)</i>
2024 Interim Borrowing	\$ 3,000,000	<i>(estimated to Project/financing)</i>
FY 2024-25	\$ -	
FY 2025-26	\$ -	

**Estimated Future
Capacity within TI Max
(Projected) \$ 4,864,750**

City of Dundee – Urban Renewal (Tax Increment Financing) Indicative Borrowing Scenario (as of 11/13/2023)

Interim Financing (Line of Credit) - 2024	
Maturity:	up to 3 years
Security:	Full Faith & Credit (FF&C)
Payment Source:	Tax Increment Revenues
Prepayment:	Anytime (to be requested)
Tax Status:	Tax-exempt eligible
Timing:	Bank proposals in December 2023 Closing in January/February 2024

Future Take-Out Borrowing (Loan/Bonds) - TBD	
Maturity:	up to 10 years
Security:	Full Faith & Credit (FF&C)
Payment Source:	Tax Increment Revenues
Prepayment:	TBD
Tax Status:	Tax-exempt eligible
Timing:	Prior to Line of Credit maturity but TBD, pending TI revenue availability & market conditions

AGENDA REPORT

To: Chair Russ and Urban Renewal Committee
From: Steve Dahl, City Administrator
Date: November 16, 2023
Reason: Resolution 2023-03 MOU Between the DURA and the City of Dundee

Background:

The City of Dundee created the Dundee Urban Renewal Agency (DURA) to complete certain projects in Dundee. It is the wish of the City of Dundee to enter a memorandum of understanding with DURA to help fund projects within the city urban renewal area.

This agreement irrevocably pledges money from the tax increment funds that DURA receives to help pay for projects within the urban renewal boundary.

Motion: I move to approve UR Resolution 2023-03 the entering into a memorandum of understanding between the City of Dundee and Dundee Urban Renewal Agency.

RESOLUTION NO. URA 2023-03

A RESOLUTION OF THE DUNDEE URBAN RENEWAL AGENCY AUTHORIZING INDEBTEDNESS FOR CAPITAL PROJECTS DESCRIBED IN THE URBAN RENEWAL PLAN FOR THE DUNDEE URBAN RENEWAL AREA.

WHEREAS, the Dundee Urban Renewal Agency (the “Agency”) is authorized by ORS Chapter 457 to incur indebtedness to carry out the Dundee Urban Renewal Plan, as it has been and may be amended (the “Plan”) and by ORS Chapter 190 to enter into intergovernmental agreements; and

WHEREAS, the City of Dundee, Oregon (the “City”) expects to finance capital projects described in the Plan, which may include certain street improvements, infrastructure and utilities improvements, and parks amenities (collectively, the “Projects”) in an amount not to exceed \$3,000,000; and

WHEREAS, the Agency hereby finds that these Projects benefit the Area and Plan objectives by furthering the the following goals and objections in the Plan:

Goal One in Section II of the Plan regarding revitalization of existing properties and development of underdeveloped and vacant properties, including the following related objective: help improve investment climate;

Goal Two in Section II of the Plan regarding improving public facilities and utilities to encourage development and improve visual appearance, including the following related objectives: provide new and upgraded public facilities and utilities, support and assist in the undergrounding of utilities, leverage private investment;

Goal Three in Section II of the Plan regarding promoting multi-modal transportation system, including the following related objective: provide new and upgraded streets;

Goal Four in Section II of the Plan regarding improving amenities and resources, including the following related objective: encourage and support the development of community and civic gathering spaces, amenities and resources; and

WHEREAS, the Agency agrees to pay the debt service related to the financing of the Projects; and

WHEREAS, the Agency is willing to commit tax increment revenues from the Area in amounts sufficient to pay up to \$3,000,000 in principal amount of financing for the Projects, plus interest; and

WHEREAS, the Agency has unused maximum indebtedness in the Plan and is willing to use up to \$3,000,000 of that maximum indebtedness to finance the Projects;

NOW, THEREFORE, the Board of Directors (the “Agency Board”) of the Dundee Urban Renewal Agency resolves as follows:

Section 1. Intergovernmental Agreement Authorized. The Agency Board hereby authorizes the Agency to enter into an intergovernmental agreement (the “IGA”) with the City that obligates the Agency to pay up to \$3,000,000 in principal amount, plus interest, to finance the Projects. The IGA shall constitute indebtedness of the Agency that is payable solely from the tax increment revenues of the Area and interest earnings on those tax increment revenues. The IGA shall be in substantially the form attached to this resolution as Exhibit A, but with such changes as are approved by the Agency Official, as defined below.

Section 2. Delegation. The City Administrator of the City, Committee Chair or designee of either of those officials (each an “Agency Official”) is hereby authorized, on behalf of the Agency and without further action by the Agency Board to negotiate the terms of and execute the IGA described in Section 1 of this resolution, and to execute any documents and take any other actions that are desirable to assist the City in financing the Projects.

Section 3. Effective Date. This resolution is effective immediately upon adoption.

Duly passed by the Agency Board this 21st day of November, 2023.

David Russ, Committee Chair

ATTEST:

Steve Dahl, Committee Administrator

EXHIBIT A

Form of Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT

to make financing payments
by and between the

Dundee Urban Renewal Agency

and the

City of Dundee, Oregon

Dated as of [Date of Closing]

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Exhibit A - Financing Payments Schedule

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement is dated as of [Date of Closing], and is entered into by and between the Dundee Urban Renewal Agency, Oregon, (the “Agency”) and the City of Dundee, Oregon (the “City”) in connection with the Dundee Urban Renewal Area (the “Area”). 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 which are defined in this Section 1(1) shall have the following meanings:

“Financing Agreement” means the Loan between the City and [Lender], in the aggregate principal amount of \$3,000,000 which is dated as of [Date of Closing]. [This will be adjusted to refer to the line of credit in a maximum borrowing amount if that is the structure that is chosen.]

“Financing Payments” means the principal and interest payments the City is required to make under the Financing Agreement.

“IGA Amount” means \$3,000,000, the principal amount of the Financing Agreement. [Ditto]

“Plan” means the Dundee Urban Renewal Plan adopted by the City on April 18, 2017 under Ordinance No. 558-2017, as it has been and may be amended in accordance with its terms.

“Resolutions” means Resolution No.2023-12 adopted by the City Council on November 21, 2023 and Agency Resolution No. URA - 2 adopted by the Agency Board on November 21, 2023.

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

“Urban Renewal Projects” means capital projects described in the Resolutions.

(2) Findings.

(A) This Agreement is authorized by the Resolutions.

(B) The City has entered into the Financing Agreement to finance the Urban Renewal Projects.

(C) The Urban Renewal Projects are or will be properly described as urban renewal projects in the Plan and located in the Area when proceeds of this Intergovernmental Agreement are spent on such Urban Renewal Projects.

(D) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Urban Renewal Projects.

(E) The Urban Renewal Projects will assist the Agency in carrying out its Plan.

- (F) The Agency will only spend the proceeds it receives from the City under this Intergovernmental Agreement on the Urban Renewal Projects so long as they are then described in the Plan, located in the Area and owned by the City or the Agency.
- (G) By entering into this Intergovernmental Agreement, the Agency is issuing debt in the IGA Amount which counts against the Agency's maximum indebtedness limit.
- (H) The Agency certifies that by entering into this Intergovernmental Agreement it will not exceed its \$3,000,000 maximum indebtedness limit for the Plan. On the date of this Intergovernmental Agreement the remaining maximum indebtedness capacity for the Area is approximately \$ 11,337,831

Section 2. The Financing Payments.

- (1) The Financing Payments.

The Agency hereby agrees to pay to the City or on behalf of the City, no later than the dates required by the Financing Agreement, amounts that are equal to the Financing Payments. The amounts and dates of the Financing Payments are shown in Exhibit A. [To be updated to permit City to request draws and communicate repayment terms if the borrowing is a Line.]

- (2) Security for the Obligation of the Agency to Pay the Financing Payments.

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the IGA Amount. The Agency is obligated to make payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2(1) of this Intergovernmental Agreement. The pledge that secures this Intergovernmental Agreement shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to allow the Agency to grant a lien on the Tax Increment Revenues on parity with the lien that secures this Intergovernmental Agreement Prepayment.

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

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 which 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. Title.

Nothing in this Intergovernmental Agreement grants the City or the owner of the Financing Agreement a lien on, or security interest in the Urban Renewal Projects.

Section 5. 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 Yamhill County, Oregon.

(6) Rules of Construction.

References to section numbers in documents which 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.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the City and the Agency have executed this Intergovernmental Agreement as of [Date of Closing].

For the Dundee Urban Renewal Agency, Oregon

Steve Dahl, City Administrator of the
City of Dundee, Oregon

For the City of Dundee, Oregon

Steve Dahl, City Administrator

EXHIBIT A
FINANCING PAYMENTS SCHEDULE