



NOTICE OF PUBLIC MEETING

ALBANY REVITALIZATION AGENCY
City Hall Council Chambers
Wednesday, April 25, 2012
Immediately Following the City Council Meeting

AGENDA

1. CALL TO ORDER (Chair Floyd Collins)
2. ROLL CALL
3. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Adoption of Consent Calendar
 - 1) A resolution of the Albany Revitalization Agency authorizing the execution and delivery of a loan agreement and related documents with the City of Albany, Oregon; pledging tax increment revenues; authorizing the prepayment and defeasance of all or a portion of the outstanding debt related to the Central Albany Revitalization Area; designating an authorized representative of the Agency and delegating authority; delegating authority to the City in connection with validation matters; and related matters. [Pages 1-5]
Action: _____ ARA RES. NO. _____
4. BUSINESS FROM THE AGENCY
5. NEXT MEETING DATE: *Next regular meeting Wednesday, June 20, 2012*
6. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, please notify the Human Resources Department in advance by calling 541-917-7500.

ARA RESOLUTION NO. _____

A RESOLUTION OF THE ALBANY REVITALIZATION AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED DOCUMENTS WITH THE CITY OF ALBANY, OREGON; PLEDGING TAX INCREMENT REVENUES; AUTHORIZING THE PREPAYMENT AND DEFEASANCE OF ALL OR A PORTION OF THE OUTSTANDING DEBT RELATED TO THE CENTRAL ALBANY REVITALIZATION AREA; DESIGNATING AN AUTHORIZED REPRESENTATIVE OF THE AGENCY AND DELEGATING AUTHORITY; DELEGATING AUTHORITY TO THE CITY IN CONNECTION WITH VALIDATION MATTERS; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of the City of Albany, Oregon (the "City") acting as the Albany Revitalization Agency (the "Agency") is authorized pursuant to Oregon Revised Statutes ("ORS") Chapter 457 to conduct proceedings and to issue tax increment indebtedness pursuant to the terms and provisions of ORS Chapter 457 and ORS 271.390, for the purpose of financing urban renewal projects authorized under its urban renewal plan and located within the urban renewal area (each as described below); and

WHEREAS, the City enacted Ordinance No. 5496 which approved the Urban Renewal Plan (the "Plan") for the Central Albany Revitalization Area (the "Urban Renewal Area") on August 8, 2001, as that Urban Renewal Plan has been and may be amended in the future; and

WHEREAS, the Plan establishes a maximum indebtedness of Fifty-Six Million Dollars (\$56,000,000) (the "Maximum Indebtedness") to carry out the projects of the Plan, and as of the date of this Resolution the Agency has incurred \$14,491,610 of aggregated indebtedness; and

WHEREAS, the Agency currently has \$8,848,000 of outstanding indebtedness, which includes the (i) CARA Urban Renewal Revenue Bonds, Series 2007A (Tax-Exempt), issued in the original aggregate principal amount of \$2,822,000 and Urban Renewal Revenue Bonds, Series 2007B (Taxable, issued in the original principal amount of \$1,865,000 (collectively, the "2007 Bonds") and (ii) CARA Urban Renewal Revenue Note, Series 2010, evidencing obligations of the Agency under a non-revolving line of credit in an aggregate principal amount not to exceed \$5,000,000, which includes tax-exempt and federally taxable draws (the "2010 Note" and together with the 2007 Bonds, the "Outstanding Debt"); and

WHEREAS, the Agency desires to refinance all or a portion of its 2007 Bonds to achieve debt service savings, and to refinance the 2010 Note on a long term basis, and has requested that the City enter into a loan agreement (the "Loan Agreement"), with the Agency, pursuant to which the City would agree to facilitate the refunding of the Outstanding Debt for the Area through a loan of proceeds received by the City from the sale and delivery of one or more series of full faith and credit obligations, any series of which may be offered on a tax-exempt or federally taxable basis (collectively, the "Refunding Obligations"); and

WHEREAS, pursuant to the Loan Agreement, the Agency will be obligated to provide amounts raised for urban renewal pursuant to ORS 457.440 on account of the Urban Renewal Area (the "Tax Increment Revenues") to the City for payment of principal of and interest on the Refunding Obligations; and

WHEREAS, a prospective initiative measure was filed with the City on February 23, 2012, a copy of which is attached hereto as Exhibit A (the "CARA Initiative Petition"), which proposes to amend the City Charter to repeal the existing Maximum Indebtedness amount established under the Plan and proposes to limit debt of the Urban Renewal Area to that in existence on February 28, 2012; and

WHEREAS, the CARA Initiative Petition proposes retroactive debt restrictions not presently in effect; and

WHEREAS, until such time as the CARA Initiative Petition becomes law, if ever, the Agency needs to incur debt in connection with customary Agency business including, by way of example, executing and delivering the Loan Agreement with the City to refinance the Outstanding Debt as described herein; and

WHEREAS, Agency has been informed that the City intends to commence a proceeding in the Circuit Court of Linn County, Oregon pursuant to ORS 33.710, for the purpose of obtaining a judicial validation (the "Validation") of, among other things, matters related to another initiative petition that proposes to amend the City Charter to limit City debt to that in existence on February 28, 2012; and

WHEREAS, it is in the best interest of the Agency for the City to include in its Validation proceeding matters related to the CARA Initiative Petition, including the validity and enforceability of the Loan Agreement and the authority of the Agency Board to adopt this Resolution and future Resolutions authorizing the issuance or incurrence of debt obligations of the Agency secured by the Tax Increment Revenues; and

WHEREAS, the Agency adopts this Resolution pursuant to ORS 457.190 in coordination with the City with respect to sale and delivery of the Refunding Obligations; to pledge Tax Increment Revenues; to authorize certain officials and employees of the Agency to take action on behalf of the Agency and to execute and deliver any documents relating to the Loan Agreement; to authorize the City to take action on behalf of the Agency in connection with the Validation and delegate authority to the Authorized Representative (as defined below) of the Agency to take action as required in connection with the Validation; and to provide for the prepayment and defeasance of all or a portion of the Outstanding Debt of the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Albany Revitalization Agency as follows:

Section 1. Authorization, Execution and Delivery of Loan Agreement. The Agency hereby authorizes the execution and delivery of the Loan Agreement providing for the loan from the City to the Agency (the "Loan") in an aggregate principal amount not to exceed the amount necessary to finance or refinance the principal amount of the Outstanding Debt of the Agency. The proceeds of the Loan shall be used to defease, prepay and redeem all or a portion of the Outstanding Debt of the Agency.

Section 2. Designation of Authorized Representative. The Agency designates each of the Director of the Agency, the City Manager of the City, the Finance Director of the City, or their respective designee (each an "Authorized Representative"), to act on behalf of the Agency and determine the remaining terms of the Loan Agreement to be established as set forth in this Resolution.

Section 3. Pledge of Tax Increment Revenues; Loan Payments to the City. The Agency pledges its Tax Increment Revenues to the City and pledges to provide for the timely payment of the Tax Increment Revenues to the City in an amount sufficient to repay the Loan whenever due and payable, including without limitation, the payment of all principal components and interest components related to the Refunding Obligations and all costs incurred by the City in connection with the sale, execution and delivery of the Refunding Obligations (collectively, the "Loan Payments") in such amounts and on such dates as described in Exhibit A to the Loan Agreement.

Section 4. Loan Prepayment. The Loan shall not be subject to prepayment except with the City's consent and to the extent the City elects to prepay all or any portion of the Refunding Obligations.

Section 5. Delegation for Establishment of Terms of the Loan. Each Authorized Representative is hereby authorized and directed, on behalf of the Agency without further approval of the Board of Directors to:

(a) Establish the principal and interest Loan payment dates, principal amounts, prepayment provisions, if any, interest rates, including the designation of any portion of the Loan as tax-exempt or federally taxable, and all other terms of the Loan;

(b) Approve, execute and deliver the Loan Agreement and any related documents between the City and the Agency to obligate the Agency to pledge its Tax Increment Revenues to the City and to provide for the timely payment of the Tax Increment Revenues to the City for the purpose of making Loan Payments whenever due and payable;

(c) Negotiate and include in the Loan Agreement and related documents any coverage covenants, additional bonds test, reserve fund requirements or other terms and conditions that, in the opinion of the Authorized Representative, are necessary to obtain favorable terms for the Refunding Obligations; and

(d) Approve, execute and deliver any additional documents or certificates relating to the Loan Agreement.

Section 6. Prepayment and Defeasance of Bonds. An Authorized Representative of the Agency is authorized to call for prepayment or redemption and defeasance of all or any portion of the Agency's Outstanding Debt (collectively, the "Refunded Obligations"), and to provide for the payment of outstanding principal and interest due on the Refunded Obligations on the earliest date the Refunding Bonds are subject to prepayment. The Authorized Representative is further authorized to cause notice of prepayment to be given as required by the terms of the Refunded Obligations and as required by applicable law.

Section 7. Authority to Issue Debt During the Pendency of the Initiative Measure. Notwithstanding any term of the Initiative Measure, including any set forth in *Exhibit A* hereto, the Agency may issue or incur debt subject to confirmation of such authority in the order entered by the court in connection with the Validation for the following purposes in conformance with the provisions of the Act in effect at the time the debt is issued:

- (a) financing of the Refunded Obligations;
- (b) financing of projects authorized under the Plan; and
- (c) periodic issuance or incurrence of debt in conformance with the Plan and the Act.

Section 8. Validation Proceeding. The Agency authorizes and delegates to the City all authority to act on behalf of the Agency, without further approval of the Board in connection with the Validation. The Authorized Representative of the Agency is authorized and directed to work with the City and to sign documents and take any necessary or desirable action in connection with obtaining the Validation from the Circuit Court of Linn County, Oregon as necessary to seek clarification from the court concerning the issuance or incurrence of Agency debt consistent with the provisions of this Resolution and as otherwise authorized by the Act.

Section 9. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the Board.

DATED AND EFFECTIVE THIS 25th DAY OF APRIL 2012.

ALBANY REVITALIZATION AGENCY

ARA Chair

ATTEST:

Deputy City Clerk

ACT TO LIMIT URBAN RENEWAL INDEBTEDNESS

Be it enacted, the Albany City electors propose amending the City Charter
CHAPTER IX -- MISCELLANEOUS PROVISIONS--Section 44--Debt Limit.

ADD THE FOLLOWING:

URBAN RENEWAL DEBT LIMITED

The maximum Urban Renewal Indebtedness (URI) allowed for the Albany Revitalization Agency (ARA) shall be the total Central Albany Revitalization Agency (CARA) debt as of 28 February 2012 at 5pm local time. This Provision specifically repeals the \$56,000,000 Urban Renewal Debt limit established in 2001 by Ordinance.

No Urban Renewal Debt requested by ARA after 28 February 2012 shall be allowed without a majority approval of Albany City electors in a primary or general election.

"Urban Renewal Indebtedness" and "URI" means debt incurred pursuant to an urban renewal plan where repayment is pledged from ad valorem taxes assessed within the City limits of Albany, Oregon.

MP FEB 23 2012