



DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

October 13, 2022

Development Agency Board
Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Resolution Authorizing a Debt Issuance of up to \$10 million to Finance New Projects in the North Clackamas Revitalization Area.
Total Value is \$10 million. Funding is through Tax Increment Financing.
County General Funds are not involved.

Purpose/Outcome	To authorize the issuance of debt that will finance two current projects in the North Clackamas Revitalization Area: the Linwood Avenue Improvements and the Monroe Street Improvements
Dollar Amount and Fiscal Impact	Issuance of up to \$10 million in new debt
Funding Source	Tax Increment Financing received in the North Clackamas Revitalization Area
Duration	Debt is anticipated to be issued for a 10 year term
Previous Board Action/Review	Prior discussions related to budget and financing strategies
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. Build public trust through good government: The debt issuance will fund project commitments made to the Clackamas community. 2. Build Strong Infrastructure: The debt issuance will enable the completion of planned road improvements.
Counsel Review	Reviewed and approved by County Counsel on 10-3-22 (NB)
Procurement Review	<p>1. Was the item processed through Procurement? yes <input type="checkbox"/> no <input checked="" type="checkbox"/></p> <p>This item does not require Procurement's involvement</p>
Contact Person	David Queener, Development Agency Program Supervisor 503.742.4322 Sandra Montoya, Budget Manager 503.742.5424

BACKGROUND:

The Development Agency (Agency) is responsible for implementing the North Clackamas Revitalization Area (NCRA) Plan. The Plan, developed with the assistance and input of residents within the area boundary, identifies projects that should be completed in order to remove blight, maintain housing affordability and improve access to goods and services.

The Agency is undertaking two significant road projects that will provide improvements to safety, access and connectivity for the area.

1. Linwood Avenue Improvements: Between Monroe Street and Johnson Creek Boulevard, the project will include new lighting, storm drainage, multi-use paths, landscaping, paving and an upgraded bridge over Johnson Creek. Construction will begin in early 2023 and be completed spring 2024 with a total estimated cost of \$7.1 million.
2. Monroe Street Improvements: From Linwood Avenue to Fuller Road, the project will include new lighting, storm drainage, multi-use paths, landscaping and paving on Monroe Street. Improvements will also be completed on a section of Thompson Street from SE 72nd Avenue to the west boundary of Lot Whitcomb Elementary School. Construction will begin early 2024 and be completed by spring 2025 with a total estimated cost of \$7.3 million.

The Agency has an available fund balance of approximately \$4.5 million for the projects and issuance costs and seeks financing approval for the remaining \$10.0 million. If approved, staff will work with Piper Sandler for financial advising services, and Hawkins Delafield and Woods, for bond counsel services. The debt will be repaid with the Agency's tax increment revenue and will not require General Fund.

The proposed order has been reviewed and approved by County Counsel and outside Bond counsel.

RECOMMENDATION:

Staff respectfully recommends that the Board, as the governing body of Clackamas County Development Agency, adopt the Resolution as presented.

Respectfully submitted,

David Queener

David Queener,
Development Agency Program Supervisor

Attachment: Resolution

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Authorizing an
Urban Renewal Bond for the North
Clackamas Revitalization Area.



RESOLUTION NO. _____

Page 1 of 3

WHEREAS, the Clackamas County Development Agency (“the Agency”) is authorized to enter into borrowings that are payable from the tax increment revenues of the North Clackamas Revitalization Area (the “Area”); and

WHEREAS, the Agency desires to borrow up to \$10 million to finance projects located in the Area and described in the urban renewal plan for the Area, including new lighting, stormwater facilities, sidewalks, multi-use paths, landscaping and paving (collectively the “Projects”); and

WHEREAS, the County has approved a maximum indebtedness for the Area of \$87,000,000 and the Agency has the capacity and is willing to use \$10,000,000 of that maximum indebtedness to finance the Projects; and

WHEREAS, in 2011 the Agency entered into a borrowing in the original amount of \$6,000,000 to finance urban renewal projects in the Area (the “Series 2011 Bond”) that was issued under a Master Bond Declaration dated as of January 10, 2011, as it may be amended pursuant to its terms (the “Master Bond Declaration”) which established the terms and conditions under which bonds that are payable from the tax increment revenues of the Area may be issued; and

WHEREAS, the Agency desires to issue the borrowings authorized by this Resolution with a lien on the tax increment revenues of the Area on parity with the lien that secures the Series 2011 Bond.

NOW, THEREFORE, the Clackamas County Board of Commissioners do hereby resolve as follows:

Section 1. Definitions.

Unless the context clearly requires otherwise capitalized terms that are used in this Resolution shall have the following meanings:

“Agency” means the Clackamas County Development Agency, the urban renewal agency of Clackamas County.

“Agency Official” means the Finance Director of the County, the Budget Manager of the County, or the person designated by the Finance Director to act on behalf of the Agency under this Resolution.

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RESOLUTION NO. _____

Page 2 of 3

“Area” means the Agency’s North Clackamas Revitalization Area.

“County” means Clackamas County, Oregon.

“Series 2022 Bond” means the Agency’s Urban Renewal Bond (North Clackamas Revitalization Area), Series 2022 that is authorized by Section 2 of this Resolution.

Section 2. The Series 2022 Bond.

2.1 Authorization. The Agency hereby authorizes the sale and delivery the Series 2022 Bond in a principal amount not to exceed ten million dollars (\$10,000,000) pursuant to the applicable provisions of ORS Chapters 287A and 457. The proceeds of the Series 2022 Bond shall be used to finance the Projects and, if necessary, to fund a debt service reserve.

2.2 Security. The Series 2022 Bond shall be issued as Parity Senior Lien Indebtedness and a Senior Lien Bond under the Master Bond Declaration with a lien on tax increment revenues of the Area on parity with the lien that secures the Series 2011 Bond.

2.3 Delegation. The Agency Official may, on behalf of the Agency and without further action by the Board of Commissioners.

- A. Select a commercial bank or other lender with which to negotiate, execute and deliver the Series 2022 Bond, purchase agreement, supplemental declaration, or other related documents. Subject to the limitations of this Resolution, Series 2022 Bond, purchase agreement, supplemental declaration, or other related documents may be in such form and contain such terms (including but not limited to covenants, events of and remedies for default and financial reporting requirements) as an Agency Official may approve and the Agency Official may determine whether to finance the Projects under one or multiple series of Borrowings.
- B. Amend the Master Bond Declaration if the Agency determines it is desirable for the Agency.
- C. Enter into covenants to maintain the tax-exempt status of the Series 2022 Bond under the Internal Revenue Code of 1986, as amended (the “Code”).
- D. Designate the Series 2022 Bond as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable.
- E. Enter into additional covenants for the benefit of the purchasers of the Series 2022 Bond which an Agency Official determines are desirable to sell the Borrowings on favorable terms.

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RESOLUTION NO. _____

Page 3 of 3

- F. Establish the final principal amount, interest rates, payment dates and all other terms of the Series 2022 Bond.
- G. Make any contributions to or withdrawals from the Senior Lien Reserve Account that the Agency Official determines are desirable and determine the Reserve Funding Requirement, if any, for the Series 2022 Bond.
- H. Execute any documents and take any other action which the Agency Official finds is desirable to carry out this Resolution.

Section 4. Effective Date.

This Resolution shall take effect on its date of adoption.

DATED this 13th day of October, 2022

BOARD OF COUNTY COMMISSIONERS
As the Governing Body of the Clackamas County Development Agency

Chair

Recording Secretary

COVER SHEET

- New Agreement/Contract
- Amendment/Change/Extension to _____
- Other _____

Originating County Department: _____

Other party to contract/agreement: _____

Description:

After recording please return to: **X** _____

County Admin

Procurement

If applicable, complete the following: _____

Board Agenda Date/Item Number: _____