



AGENDA

MOLALLA CITY COUNCIL MEETING
August 26, 2020
7:00 PM
Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038

Mayor Keith Swigart

Council President Leota Childress
Councilor Elizabeth Klein
Councilor DeLise Palumbo

Councilor Terry Shankle
Councilor Jody Newland
Councilor Crystal Robles

1. CALL TO ORDER AND ROLL CALL

2. FLAG SALUTE

3. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. Library Board Application (Hadley).....Pg. 2
- B. Proclamation No. 2020-02: Proclaiming September as National Preparedness MonthPg. 4

4. PUBLIC COMMENT

(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)

5. APPROVAL OF THE AGENDA

6. CONSENT AGENDA

- A. Meeting Minutes – August 12, 2020.....Pg. 7

7. PUBLIC HEARINGS

8. ORDINANCES AND RESOLUTIONS

- A. Resolution No. 2020-19: Authorizing Financing of Capital Projects Described in the Urban Renewal Plan for the Molalla Urban Renewal Area and Refinancing of Certain Outstanding Borrowings (Huff).....Pg. 12

9. GENERAL BUSINESS

10. REPORTS

- A. City Manager and Staff
- B. Mayor
- C. City Councilors

11. ADJOURN

Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855.

The On Demand replay of City Council meetings is available on YouTube at Molalla City Council Meetings or FaceBook at Molalla City Council Meetings – LIVE.

City of Molalla

City Council Meeting



Agenda Category:

Presentations, Proclamations, Ceremonies

Subject: Library Board Application

Recommendation: Approve application

Date of Meeting to be Presented: August 26, 2020

Fiscal Impact: N/A

Background:

The Library Board has a vacant seat. Ms. Teel's application is attached for your review.

SUBMITTED BY: Diana Hadley, Library Director

APPROVED BY: Dan Huff, City Manager



City of Molalla
Application for Appointment to Citizen
Committee/Board/Commission/Council

Date: 5/14/2020

How long have you resided in the City: Inside city limits 3 yrs. Outside of city limits 40+ yrs.

Committee/Board/Commission/Council position of interest: Library Board

Name: Tina Teel

Address:

State/Province: OR Zip/Postal Code: 97038

Home Phone: Work Phone:

*E-Mail:

Current or Previous Community Affiliations or Activities:

Friends of the library, farmers market, have helped w/ Nat'l Night Out & other various activities when needed.

Why would you like to serve on this Committee/Board/Commission/Council and give any other background you might have in this area.

Interested in being involved with my community.

If applying for re-appointment to this Committee/Board/Commission/Council/Task Force, please indicate what has been the key accomplishment of the group during your service.

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

I don't know yet.

*Signature: [Handwritten Signature]

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com

REV: 02/14/2019 Citizen Application - City Recorder

Email back to: cityrecorder@cityofmolalla.com

City of Molalla

City Council Meeting



Agenda Category:

Presentations, Proclamations, Ceremonies

Subject: Proclamation No. 2020-02: Declaring September as National Preparedness Month

Recommendation: Council Approval

Date of Meeting to be Presented: August 26, 2020

Fiscal Impact: N/A

Background:

The State of Oregon Department of Consumer and Business Services invites every city to participate in National Preparedness Month and especially Home Inventory Week.

Information is posted on the City's website, as well as the State of Oregon's website. Search "Prepare Now".

SUBMITTED BY: Dan Huff, City Manager

APPROVED BY: Dan Huff, City Manager



Proclamation Number 2020-02

A PROCLAMATION OF THE CITY OF MOLALLA, OREGON

WHEREAS, each September is recognized as National Preparedness Month; and

WHEREAS, Oregonians have witnessed and experienced natural disasters in our own community; and

WHEREAS, every community member can take active steps to protect their families and neighbors from natural and manmade disasters; and

WHEREAS, every family and business in City of Molalla is encouraged to take active steps to be financially secure after a disaster; and

WHEREAS, every community member is encouraged to make sure they are properly insured against fire, flood, earthquakes, and storms; and

WHEREAS, every community member is encouraged to create a home inventory to include as part of their disaster preparedness kit,

NOW THEREFORE, I, Keith Swigart, Mayor of the city of Molalla, do hereby declare that the first week of September 2020, be known as

Home Inventory Week

and join cities across Oregon to encourage everyone to build a home inventory of their personal property and speak with an insurance agent to make sure they are financially prepared for a disaster.

THEREFORE, hereby place my signature on this 26th day of August 2020.

Signed: _____

Keith Swigart, Mayor

NATIONAL PREPAREDNESS MONTH



**Disasters Don't Wait.
Make Your Plan Today**



National Preparedness Month 2020

First week of September is Home Inventory Week

PREPARE NOW

LEARN HOW

Get ready at
dfr.oregon.gov/preparenow



FEMA



Minutes of the Molalla City Council Regular Meeting

Molalla Adult Community Center
315 Kennel Ave., Molalla, OR 97038
August 12, 2020

1. CALL TO ORDER AND FLAG SALUTE

The Molalla City Council Regular Meeting of August 12, 2020 was called to order by Mayor Keith Swigart at 7:17pm.

COUNCIL ATTENDANCE:

Mayor Keith Swigart – Present
Councilor Leota Childress – Present
Councilor Elizabeth Klein – Present
Councilor DeLise Palumbo – Present
Councilor Terry Shankle – Present
Councilor Jody Newland - Present
Councilor Crystal Robles - Present

STAFF IN ATTENDANCE

Dan Huff, City Manager - Present
Christie DeSantis, City Recorder - Present
Gerald Fisher, Public Works Director - Present
Chaunee Seifried, Finance Director - Present
Frank Schoenfeld, Chief of Police - Present
Chris Long, Lieutenant - Present

2. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

A. Piano in the Park Presentation

Mr. Bob Oblack addressed Council with a “Piano in the Park” presentation. Mr. Oblack is involved in the Molalla Culture and Arts Committee and with the help of other volunteers, has brought this project to the citizens of Molalla. Currently muralists have painted three pianos that have been placed in our parks. Two are located in Fox Park and one in Long Park. The piano in Long Park honors First Responders, with special dedication to Mr. Dan McLain. Mr. McLain was a Molalla resident and served for 39 years with Clackamas County Sheriff’s Office.

Mr. Oblack and the Culture and Arts Committee have recommends that the leadership of Molalla develop a plan in cooperation with Molalla Communication Cooperative to build more covered shelters for the “Piano in the Park” project.

Councilors thanked him and those involved for the beautiful pianos, and the Council feels they are a great addition to our parks.

3. PUBLIC COMMENT

None.

4. APPROVAL OF THE AGENDA

Approved as presented.

5. CONSENT AGENDA

A. Meeting Minutes – July 22, 2020

Councilor Newland noted an error on page 2 of the July 22, 2020 meeting minutes, as Councilor Klein’s name was misspelled. Council agreed to accept the minutes with correction by staff.

Councilor Klein made a motion to approved the Consent Agenda with corrections, Councilor Shankle seconded. Vote passed 7-0.

6. PUBLIC HEARINGS

7. ORDINANCES AND RESOLUTIONS

- A. Resolution No. 2020-17: A Resolution Amending the Molalla Urban Renewal Plan
- B. Resolution No. 2020-18: A Resolution Concurring with a Public Building Project for the Molalla Urban Renewal Plan

City Manager Huff explained to Council that Resolution 2020-17 is exactly the same as MURA Resolution 2020-04, however since the same body is with both agencies, it has to be approved by Council, as well.

A motion was made by Councilor Robles to adopt Resolution 2020-17, seconded by Councilor Newland. Vote passed 7-0.

As one of the four largest taxing districts within the City of Molalla, Council concurrence is needed for the Public Building construction for the police building to added to the urban renewal plan. This plan will be proposed to Clackamas County and Molalla River School District, as well.

A motion was made by Council President Childress to adopt Resolution 2020-18, Councilor Klein seconded. Vote passed 7-0.

8. GENERAL BUSINESS

- A. Discussion – Noise Ordinance

City Manager Huff referred to the noise regulation discussion and the DEQ regulations that were given at last council meeting.

Staff suggested that some regulations listed by DEQ may not want to be adopted by Council. Staff feels it’s important to be cautious to make sure to not cause problems for current industrial users. Planning Commission has requested that Council allow them time to talk about noise issues at their next meeting. Council agreed. Mayor Swigart asked about the current level of noise complaints. Mr. Huff explained that companies like to try to work directly with citizens if there is an issue. Councilor Palumbo offered an idea of the possibility of barriers being placed where needed.

9. REPORTS

- A. City Manager and Staff

City Recorder DeSantis had nothing to report. Mayor Swigart asked the deadline for candidate paperwork to be filed. DeSantis stated August 18, 2020.

Public Works Director Fisher shared the following updates:

- Molalla Forest Ridge Road is completed next to Bear Creek Subdivision, timber culvert has been completed.
- Design for longer pedestrian and bike bridge in that area, with construction beginning in spring.
- Patrol Street, water and sewer project underway, and it is progressing well.
- Water Treatment Plants new filtration unit has been online for several weeks and things are going well. The removal of old filtration unit has begun.

Mayor Swigart asked about ODOT vehicles in town and what they are working on. Mr. Fisher shared that the State is doing bike and ped path work on Hwy. 211. ODOT is also replacing ADA ramps as many were not installed properly, so they are correcting the issue

B. Mayor

Funding was received by the federal government and was allocated through the state to Clackama County. Clackamas County only received 40 million dollars from the Covid Relief Fund, while Multnomah and Washington counties received 100 million or more.

Mayor Swigart pleaded with citizens to contact County Commissioners or their State Representative to encourage more funding to Clackamas County.

C. City Councilors

Councilor Newland thanked volunteers and people that participated in Trash Day. It was a good event and many people attended.

Council President Childress reminded people to participate in Coffee with the Mayor on Facebook and YouTube. At the last meeting, the Molalla Area Visioning Plan was introduced. Council Childress also commended the City Manager and staff for the management of the Covid crisis. Staff has continued to report to work during the pandemic, therefore the reimbursement/expenses are very low for the City of Molalla. Molalla submitted a relief amount of \$38,000 and received the money.

Councilor Klein had nothing to report.

Councilor Shankle had nothing to report.

Councilor Robles thanked the community for the show of support to our Police Department. Chief of Police Frank Schoenfeld was present at the meeting and thanked everyone for notes, food, kind words and the support. He says it is felt by him and his staff.

Councilor Palumbo echoed Councilor Robles thanks and congratulated the Police Department for a job well done.

10. RECESS INTO EXECUTIVE SESSION

Held pursuant to Oregon Public Record Law, ORS 192.660(2)

- (i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee, or staff member who does not request an open hearing.

Mayor Swigart announced recess into Executive Session at 8:02pm. Mayor Swigart closed the Executive Session at 8:31pm and Council reconvened.

11. ADJOURN

A motion was made by Councilor Newland to adjourn the City Council meeting at 8:33pm, seconded by Councilor Shankle. Vote passed 7-0.

Keith Swigart, Mayor

Date

ATTEST: _____
Christie DeSantis, City Recorder

DRAFT



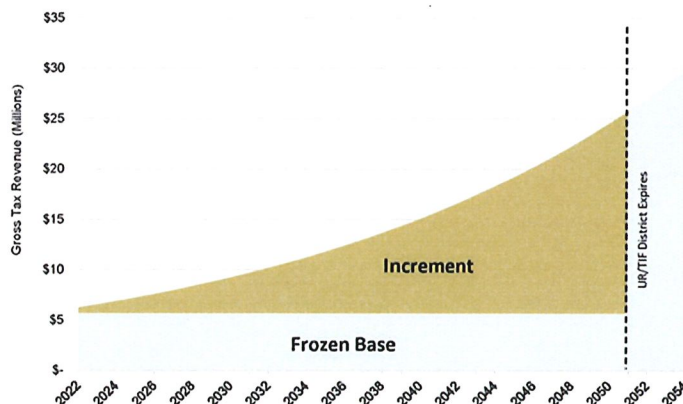
How does Tax Increment Financing (TIF) work?

Creating an Urban Renewal District allows Oregon cities to collect taxes using Tax Increment Financing (TIF), which creates funding for identified projects without raising taxes. Here's the City of Molalla's description and graphic:

"Tax Increment Financing (TIF) is a funding strategy to implement projects within a designated area. The goal is to make strategic investments that spur development, address blighted conditions, and support property investments that would not have otherwise occurred.

When a TIF district is created, the property tax revenue from that area is diverted into revenue streams:

- **Frozen Base:** Continues to go to the taxing jurisdictions, such as the City, county, school district.
- **Increment:** As property values increase over time from new development or appreciation, the increment goes to the TIF District instead of overlapping taxing districts."



Early Years:

Increment revenues are small. The TIF District incurs loans to fund strategic improvements to stimulate new development.

Late Years:

Annual increment revenues are large. Final projects are completed, outstanding debt is repaid, and the TIF District closes down.

Middle Years:

Development occurs, boosting increment revenue. The TIF District has more capacity to fund projects.

After Expiration:

Once all projects have been completed and debt repaid, all of the tax revenue returns to overlapping taxing districts and they receive the benefits of increased property values.

City of Molalla

City Council Meeting



Agenda Category: Ordinances and Resolutions

Subject: Resolution No. 2020 - 19, Authorizing Financing of Capital Projects and Refinancing of Outstanding Borrowings

Recommendation: Adoption

Date of Meeting to be Presented: August 26, 2020

Fiscal Impact: \$2,550,000

Background:

Included with this memo is a City of Molalla Resolution authorizing the Agency to enter into an Intergovernmental Agreement (IGA attached) with the Molalla Urban Renewal Agency that refinances two (2) outstanding loans for Clean Water State Revolving Fund (Wastewater Treatment) for \$1,272,262 and Sewer Revenue Refunding Bonds (Wastewater projects) for \$1,400,000. The refinancing component provides a better rate that frees up additional funding for wastewater projects. The IGA allows the City to use its sufficient tax increment financing to complement city funds for refinancing payments as well as construct urban renewal projects.

This Resolution authorizes the City Manager to act on behalf of the City of Molalla to negotiate final terms and execute the attached IGA. The City's financial consultant, Matt Donahue will provide a detailed report at the meeting on August 26th.

SUBMITTED BY: Dan Huff, City Manager
APPROVED BY: Dan Huff, City Manager



RESOLUTION NO. 2020-19

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
AUTHORIZING FINANCING OF CAPITAL PROJECTS DESCRIBED IN
THE URBAN RENEWAL PLAN FOR THE MOLALLA URBAN RENEWAL
AREA AND REFINANCING OF CERTAIN OUTSTANDING
BORROWINGS.**

WHEREAS, the City of Molalla, Oregon (the “City”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed; and,

WHEREAS, the City is also authorized by ORS 287A.360 to refund outstanding borrowings; and,

WHEREAS, the City desires to enter into a borrowing to finance projects described in the Molalla Urban Renewal Plan, as it has been and may be amended (the “Plan”) in accordance with its terms (the “Projects”) and to refinance all or a portion of (1) the City’s Clean Water State Revolving Fund Loan Agreement No. R66100 with the State of Oregon, acting by and through its Department of Environmental Quality, dated December 2005 and outstanding in the approximate principal amount of \$1,272,262 (the “2005 Borrowing”), which financed improvements to the City’s wastewater treatment system (the “2005 Project”); and (2) the City’s Sewer Revenue Refunding Bonds, Series 2010, dated May 25, 2010 outstanding in the approximate principal amount of \$1,400,000 (the “2010 Borrowing” and together with the 2005 Borrowing, the “Outstanding Borrowings”), which refunded wastewater projects. (the “2010 Project” and together with the 2005 Project, the “Refundable Projects”); and,

WHEREAS, the Molalla Urban Renewal Agency (the “Agency”) is projected to have sufficient tax increment revenues to pay the amounts due from the City in connection with the financing of the Projects, and will enter into an intergovernmental agreement with the City to use tax increment revenues to pay those amounts; and,

WHEREAS, the City or the Agency may incur expenditures (the “Expenditures”) to pay costs of the Projects prior to the issuance of the financing agreement and the City wishes to declare its official intent to reimburse itself or the Agency for any Expenditures the City or the Agency may make from its own funds on the Projects from the proceeds of the financing agreement, the interest on which may be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”);

NOW, THEREFORE, the City of Molalla resolves:

Section 1. Determination of Need. The City Council hereby determines that the Projects are needed and that the Refundable Projects were needed at the time they were financed and that they remain needed.

Section 1. Financing Agreement Authorized for Refunding Outstanding Borrowings. The City is hereby authorized to enter into one or more financing agreements (the “Refunding Financing Agreements”) to refinance all or any portion of the Outstanding Borrowings pursuant to ORS Section 271.390, ORS 287A.360, and other relevant provisions of ORS Chapter 287A and as provided in this resolution. The Refunding Financing Agreements may be issued in an amount that is sufficient to refund all or any portion of the Outstanding Borrowings and to pay estimated costs related to issuing the Refunding Financing Agreements and refunding the Outstanding Borrowings.

Section 2. Financing Agreement Authorized for Projects. The City is hereby authorized to enter into to one or more financing agreements (the “New Money Financing Agreements”) in an aggregate principal amount of not to exceed \$2,550,000 to finance the Projects and to pay costs related to issuing the New Money Financing Agreements. The New Money Financing Agreements shall be issued pursuant to ORS 271.390 and relevant provisions of ORS Chapter 287A and as provided in this resolution.

Section 3. Delegation. The City Manager or the Finance Director, or the designee of the City Manager or the Finance Director (each of whom is referred to herein as a “City Official”) is hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Select all or a portion of the Outstanding Borrowings to be refunded.
- (2) Negotiate, execute, and deliver one or more Refunding Financing Agreements and New Money Financing Agreements (collectively, the “Financing Agreements”). Subject to the limitations of this Resolution, the Financing Agreements may be in such form and contain such terms as the City Official may approve and may contain portions of the new money authority and refunding authority.
- (3) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financings.
- (4) Select one or more commercial banks or other lenders with which to negotiate, execute and deliver the Financing Agreements.
- (5) Enter into additional covenants for the benefit of the purchasers of the Financing Agreements that the City Official determines are desirable to obtain more favorable terms for the Financing Agreements;
- (6) Engage the services of a placement agent, bond counsel and any other professionals whose services are desirable for the financings and to achieve the refunding;

- (7) Call, prepay, and fund escrow deposit accounts for the Outstanding Borrowings and take any other action necessary or desirable to accomplish the call and prepayment of the Outstanding Borrowings and to refinance the Refundable Projects.
- (8) Issue the Financing Agreements with interest that is taxable or tax-exempt under the Internal Revenue Code of 1986, as amended.
- (9) Designate any of the Financings Agreements as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;
- (10) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

Section 4. Payments from Tax Increment Revenues. The City Official is authorized to enter into an intergovernmental agreement (the “2020 IGA”) with the Agency, under which the Agency agrees to provide tax increment revenues in sufficient amounts to pay all amounts due from the City under the New Money Financing Agreements. The 2020 IGA shall be in substantially the form attached to this resolution as Exhibit A, but with any changes the City Official may approve.

Section 5. Security. Pursuant to ORS 287A.315, the City Official may pledge the City’s full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreements. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreements. In addition, the City Official may pledge or assign any amounts that the City receives under the 2020 IGA to pay the amounts due from the City under the New Money Financing Agreements.

Section 6. Reimbursement Declaration. The City hereby declares its official intent to reimburse its or the Agency’s Expenditures with the proceeds of the Financing Agreements pursuant to United States Treasury Regulation 1.150-2.

Section 7. Effective Date. This resolution is effective immediately upon adoption.

Effective this ____ day of _____ 2020.

Keith Swigart, Mayor

ATTEST:

Christie DeSantis, City Recorder

Exhibit A

FORM OF INTERGOVERNMENTAL AGREEMENT

**INTERGOVERNMENTAL AGREEMENT
TO MAKE FINANCING PAYMENTS**

by and between the

Molalla Urban Renewal Agency

and the

City of Molalla, Oregon

Dated as of [____], 2020

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Intergovernmental Agreement to Make Financing Payments

This Intergovernmental Agreement to Make Financing Payments is dated as of [____], 2020, and is entered into by and between the Molalla Urban Renewal Agency, Oregon, (the “Agency”) and the City of Molalla, 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 which are defined in this Section 1(1) shall have the following meanings:

“Financing Agreement” means the Financing Agreement, Series 2020 between the City and the Lender in the principal amount of \$[____] to finance the Projects, refund certain borrowings, and pay costs of issuance, which is dated as of [____], 2020.

“Financing Payments” means the principal and interest payments the City is required to make to the Lender under the Financing Agreement that are attributable to the Projects.

“IGA Amount” means \$[____] the principal amount of the Financing Agreement that is attributable to the Projects.

“Lender” means [____], or its successors.

“Plan” means the Molalla Urban Renewal Plan, as it has been and may be amended in accordance with its terms.

“Projects” means the “Projects” as defined in the Resolutions.

“Resolutions” means City Resolution No. [____] adopted by the City Council on [____], 2020 and Agency Resolution No. [____] adopted by the Board of Directors of the Agency on [____], 2020.

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

(2) Findings.

(A) The City has entered into the Financing Agreement to finance costs of the Projects, refund certain borrowings, and to pay costs of issuance of the Financing Agreement.

(B) The Projects are or will be properly described as urban renewal projects in the Plan when proceeds of this Intergovernmental Agreement are spent on such Projects.

- (C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Projects.
- (D) The Projects will assist the Agency in carrying out its Plan.
- (E) The Agency will only spend the proceeds it receives from the City under this Intergovernmental Agreement on the Projects so long as they are then described in the Plan, located in the Molalla Urban Renewal Area and owned by the City or the Agency.
- (F) By entering into this Intergovernmental Agreement, the Agency is issuing debt in the IGA Amount which counts against the Agency's maximum indebtedness limit.
- (G) The Agency certifies that by entering into this Intergovernmental Agreement it will not exceeds its maximum indebtedness limit of \$26,175,000 for the Plan.

Section 2. The Financing Payments.

(1) The Financing Payments.

The Agency hereby agrees to pay to the Lender or the City, not less than one business day prior to the dates on which the Financing Payments are due to the Lender, amounts that are equal to the Financing Payments. The amounts and dates of the Financing Payments are shown in Exhibit A. The Agency further agrees to give the City notice if it has sent funds directly to the Lender to pay the Financing Payments.

(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 the 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). This pledge is on a parity with the pledge of those Tax Increment Revenues that secures the Intergovernmental Agreement to Make Loans Between the City of Molalla and the Molalla Urban Renewal Agency dated February 11, 2015 (the "2015 IGA"), and the City hereby agrees that this Intergovernmental Agreement may have a lien on the Tax Increment Revenues on parity with the lien that secures the 2015 IGA. 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.

(3) Reserve Account.

The Agency covenants to the City that it will establish and maintain a Reserve Account to secure the Agency's obligation to pay the amounts described in Section 2.1 so long as amounts are due from the Agency to the City under this Intergovernmental Agreement and unless the City waives this requirement. The Reserve Account shall be funded by the last day of each Fiscal Year with

at least the amount necessary to make the payments due under this Intergovernmental Agreement in the next Fiscal Year.

Section 3. 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 4. 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 5. Title.

Neither the City nor the owner of the Financing Agreement shall have a lien on, or security interest in the Projects.

Section 6. 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 Clackamas 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.

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

For the Molalla Urban Renewal Agency, Oregon

[]

[The signature of the City appears on the following page.]

For the City of Molalla, Oregon

[]

DRAFT

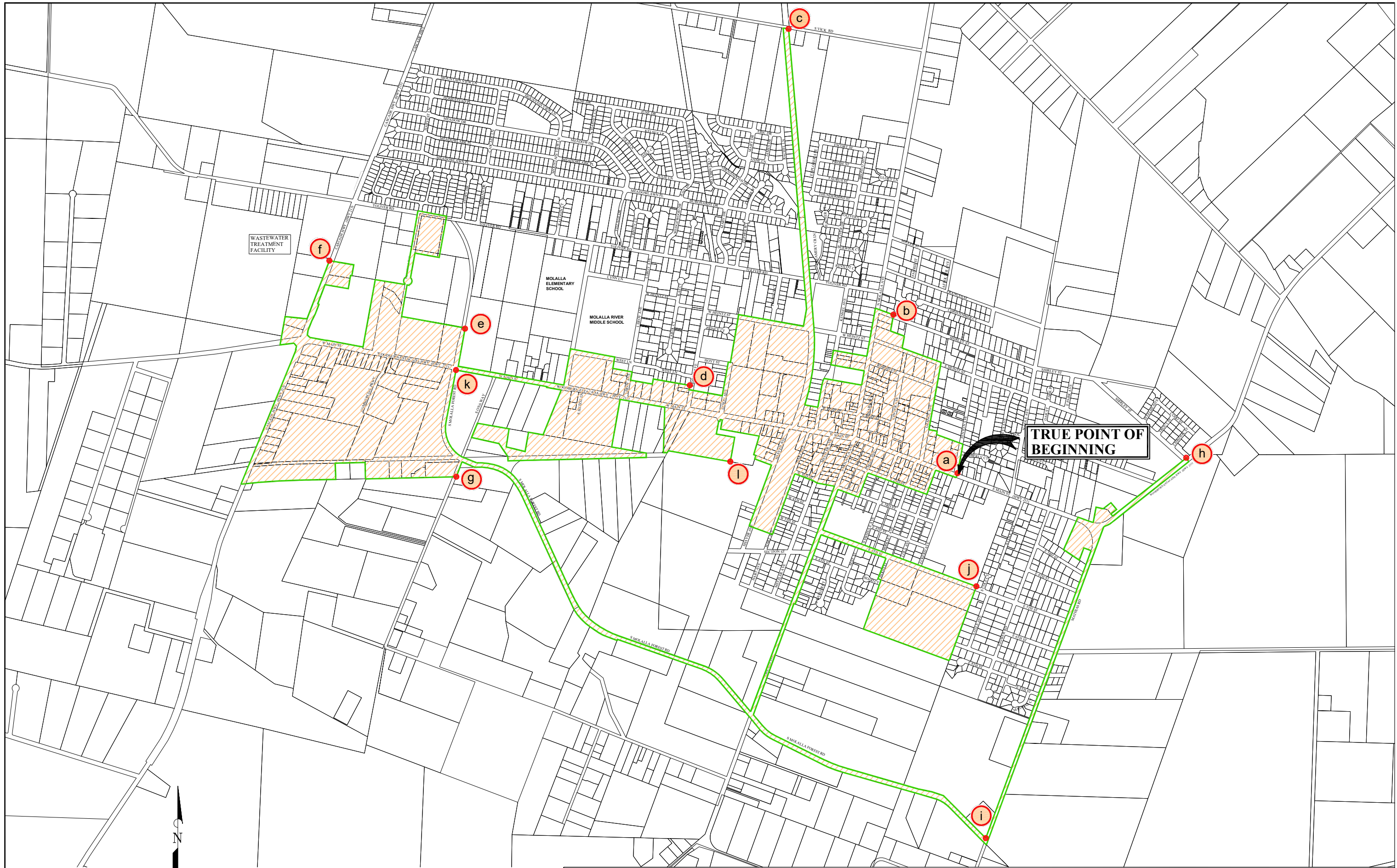
EXHIBIT A

**FINANCING PAYMENT SCHEDULE FOR PORTION OF FINANCING AGREEMENT
ALLOCABLE TO THE PROJECTS**

Interest at the rate of [___]%, calculated on an actual/360 basis, is payable semi-annually.
Principal and interest payment requirements are outlined in the following table.

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
-------------	------------------	-----------------	--------------------------

DRAFT



SCALE: 1" = 1200'

 URBAN RENEWAL BOUNDARY AREA

D THE DYER PARTNERSHIP
 ENGINEERS & PLANNERS
 DATE: JULY, 2020
 PROJECT NO.: 198.24

CITY OF MOLALLA
URBAN RENEWAL DISTRICT - BOUNDARY MAP

FIGURE NO.
A