



**A. CALL TO ORDER**

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS**

**C. CITIZEN COMMENTS**

*This section of the agenda allows citizens to address the Commission regarding any issue not on the agenda. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.*

**D. CONSENT AGENDA**

**Page No.**

*The Consent Agenda will be enacted with one vote. The Chairman will first ask the staff, the public and the Commissioners if there is anyone who wishes to remove any item from the Consent Agenda for discussion and consideration. The matters removed from the Consent Agenda will be considered individually at the end of this Agenda under "Items Removed from the Consent Agenda." The entire Consent Agenda, with the exception of items removed to be discussed under "Items Removed from the Consent Agenda," is then voted upon by roll call under one motion.*

1. Approval of the Minutes of the Work Session and Meeting of April 26, 2010.....209  
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Tax Increment District Short-Term Subordinate Urban  
Renewal Bond, Series 2010
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Urban Renewal District Short-term Subordinate Urban  
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4. Resolution No. 589-10 Authorizing Changes to the Adopted 2009-2010 Budget.....233

**E-F. PUBLIC HEARINGS**

1. Public Hearing to Consider a Resolution Adopting the Tualatin Development.....236  
Commission Budget, and Making Appropriations, for the Fiscal Year Commencing  
July 1, 2010

Resolution No. 590-10 Adopting the Tualatin Development Commission Budget

**G. GENERAL BUSINESS**

*None.*

**H. ITEMS REMOVED FROM CONSENT AGENDA**

*Items removed from the Consent Agenda will be discussed individually at this time. The Chairman may impose a time limit on speakers addressing these issues.*

**I. COMMUNICATIONS FROM COMMISSIONERS**

**J. EXECUTIVE SESSION**

**K. ADJOURNMENT**



APPROVED BY TUALATIN DEVELOPMENT  
COMMISSION  
Date June 14, 2010  
Recording Secretary J. Karlos

# STAFF REPORT

## TUALATIN DEVELOPMENT COMMISSION

**TO:** Honorable Chairman and Members of the Commission

**FROM:** Sherilyn Lombos, Administrator *SL*

**DATE:** June 14, 2010

**SUBJECT:** APPROVAL OF THE MINUTES FOR THE WORK SESSION AND MEETING OF APRIL 26, 2010, MAY 10, 2010 AND MAY 24, 2010

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**ISSUE BEFORE THE COMMISSION:**

The issue before the Commission is to approve the minutes of the Work Sessions and Meetings of April 26, 2010, May 10, 2010 and May 24, 2010.

**RECOMMENDATION:**

Staff respectfully recommends that the Commission adopt the attached minutes.

**FINANCIAL IMPLICATIONS:**

There are no financial impacts associated with this item.

**Attachments:** A. Minutes

**TUALATIN DEVELOPMENT COMMISSION**

18880 S.W. MARTINAZZI AVENUE  
TUALATIN, OR 97062-7092

503 / 692-2000



**TUALATIN DEVELOPMENT COMMISSION WORK SESSION MINUTES OF APRIL 26, 2010**

**PRESENT:** Chairman Lou Ogden; Commissioners Chris Barhyte, Joelle Davis, Jay Harris, Donna Maddux, and Ed Truax; Sherilyn Lombos, Administrator, Mike McKillip, City Engineer; Brenda Braden, City Attorney; Kent Barker, Police Chief; Dan Boss, Operations Director; Maureen Smith, Recording Secretary

**ABSENT:** Commissioner Beikman\* [*\* denotes excused*]

**A. CALL TO ORDER**

Chairman Ogden called the Development Commission Work Session to order at 6:58 p.m.

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS – N/A**

**C. CITIZEN COMMENTS – N/A**

**D. CONSENT AGENDA**  
N/A

**E-F. PUBLIC HEARINGS – N/A**

**G. GENERAL BUSINESS – N/A**

**H. ITEMS REMOVED FROM CONSENT AGENDA – N/A**

**I. COMMUNICATIONS FROM COMMISSIONERS**  
*None.*

**J. EXECUTIVE SESSION**  
*None.*

**K. ADJOURNMENT**  
The work session adjourned at 6:59 p.m.

Sherilyn Lombos, Administrator

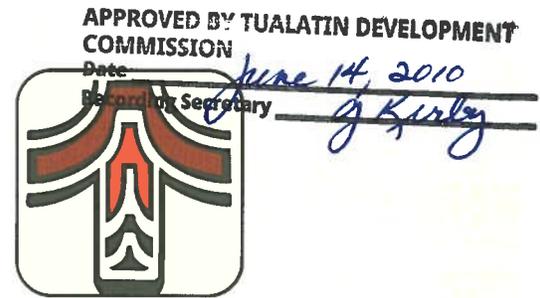
Recording Secretary / Maureen Smith

*Maureen Smith*

**TUALATIN DEVELOPMENT COMMISSION**

18880 S.W. MARTINAZZI AVENUE  
TUALATIN, OR 97062-7092

503 / 692-2000



TUALATIN DEVELOPMENT COMMISSION MEETING MINUTES OF APRIL 26, 2010

**PRESENT:** Chairman Lou Ogden; Commissioners Chris Barhyte, Joelle Davis, Jay Harris, Donna Maddux, and Ed Truax; Sherilyn Lombos, Administrator; Brenda Braden, City Attorney; Mike McKillip, City Engineer; Doug Rux, Community Development Director; Maureen Smith, Recording Secretary

**ABSENT:** Commissioner Beikman\* [*\* denotes excused*]

**A. CALL TO ORDER**

Chairman Ogden called the meeting to order at 10:38 p.m.

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS**

*None.*

**C. CITIZEN COMMENTS**

*None.*

**D. CONSENT AGENDA**

MOTION by Commissioner Harris, SECONDED by Commissioner Davis to adopt the Consent Agenda as read:

1. Approval of the Minutes of the Work Session and Meeting of April 12, 2010

MOTION CARRIED.

**E-F. PUBLIC HEARINGS**

*None.*

**G. GENERAL BUSINESS**

*None.*

**H. ITEMS REMOVED FROM CONSENT AGENDA**

*Items removed from the Consent Agenda will be discussed individually at this time. The Chairman may impose a time limit on speakers addressing these issues.*

**I. COMMUNICATIONS FROM COMMISSIONERS**

MOTION by Chairman Ogden, SECONDED by Commissioner Barhyte to withdraw the urban renewal application. MOTION CARRIED. [Vote: 6-0-1; Beikman absent]

**J. EXECUTIVE SESSION**

*None.*

**K. ADJOURNMENT**

MOTION by Commissioner Harris SECONDED by Commissioner Barhyte to adjourn the meeting at 10:39 p.m. MOTION CARRIED.

Sherilyn Lombos, Administrator

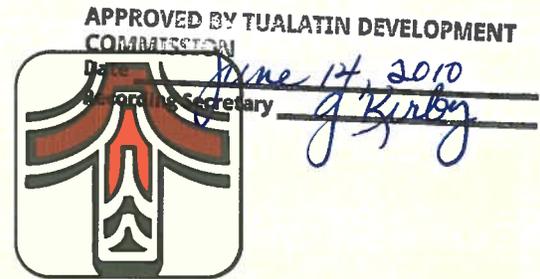
Recording Secretary / Maureen Smith

Maureen Smith

# TUALATIN DEVELOPMENT COMMISSION

18880 S.W. MARTINAZZI AVENUE  
TUALATIN, OR 97062-7092

503 / 692-2000



## TUALATIN DEVELOPMENT COMMISSION WORK SESSION MINUTES OF MAY 10, 2010

**PRESENT:** Chairman Lou Ogden; Commissioners Chris Barhyte, Monique Beikman, Joelle Davis, Jay Harris, Donna Maddux, and Ed Truax; Sherilyn Lombos, Administrator, Mike McKillip, City Engineer; Brenda Braden, City Attorney; Doug Rux, Community Development Director; Dan Boss, Operations Director; Carina Christensen, Assistant to the City Manager; Maureen Smith, Recording Secretary

**ABSENT:** None.

**A. CALL TO ORDER**

Chairman Ogden called the Development Commission Work Session to order at 7:03 p.m.

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS – N/A**

**C. CITIZEN COMMENTS – N/A**

**D. CONSENT AGENDA**

*No items on the consent agenda.*

**E-F. PUBLIC HEARINGS – N/A**

**G. GENERAL BUSINESS – N/A**

**H. ITEMS REMOVED FROM CONSENT AGENDA – N/A**

**I. COMMUNICATIONS FROM COMMISSIONERS**

*None.*

**J. EXECUTIVE SESSION**

*None.*

**K. ADJOURNMENT**

The work session adjourned at 7:03 p.m.

Sherilyn Lombos, Administrator

Recording Secretary / Maureen Smith

*Maureen Smith*

THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN

**TUALATIN DEVELOPMENT COMMISSION**

18880 S.W. MARTINAZZI AVENUE  
TUALATIN, OR 97062-7092

503 / 692-2000



TUALATIN DEVELOPMENT COMMISSION MEETING MINUTES OF MAY 10, 2010

**PRESENT:** Chairman Lou Ogden; Commissioners Chris Barhyte, Monique Beikman, Joelle Davis, Jay Harris, Donna Maddux, and Ed Truax; Sherilyn Lombos, Administrator; Doug Rux, Community Development Director; Brenda Braden, City Attorney; Maureen Smith, Recording Secretary

**ABSENT:** None.

***[Unless otherwise noted MOTION CARRIED indicates all in favor.]***

**A. CALL TO ORDER**

Chairman Ogden called the meeting to order at 8:39 p.m.

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS**

*None.*

**C. CITIZEN COMMENTS**

*None.*

**D. CONSENT AGENDA**

*None.*

**E-F. PUBLIC HEARINGS**

*None.*

**G. GENERAL BUSINESS**

*None.*

**H. ITEMS REMOVED FROM CONSENT AGENDA**

*Items removed from the Consent Agenda will be discussed individually at this time. The Chairman may impose a time limit on speakers addressing these issues.*

**I. COMMUNICATIONS FROM COMMISSIONERS**

*None.*

**J. EXECUTIVE SESSION**

*None.*

**K. ADJOURNMENT**

MOTION by Commissioner Harris, SECONDED by Commissioner Barhyte to adjourn the meeting at 8:39 p.m. MOTION CARRIED.

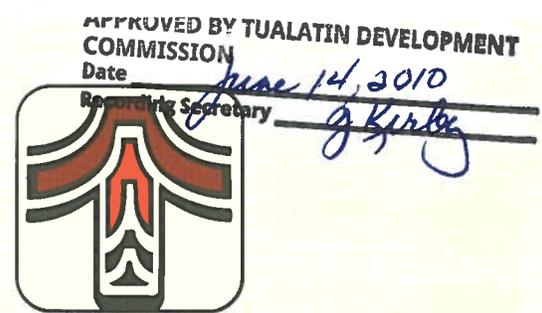
Sherilyn Lombos, Administrator

Recording Secretary / Maureen Smith 

**TUALATIN DEVELOPMENT COMMISSION**

18880 S.W. MARTINAZZI AVENUE  
TUALATIN, OR 97062-7092

503 / 692-2000



**TUALATIN DEVELOPMENT COMMISSION WORK SESSION MINUTES OF MAY 24, 2010**

**PRESENT:** Chairman Lou Ogden; Commissioners Chris Barhyte, Monique Beikman, Joelle Davis, Jay Harris; Sherilyn Lombos, Administrator, Mike McKillip, City Engineer; Brenda Braden, City Attorney; Doug Rux, Community Development Director; Carina Christensen, Assistant to the City Manager; Maureen Smith, Recording Secretary

**ABSENT:** Commissioners Maddux\* and Truax\* [\* denotes excused]

**A. CALL TO ORDER**

Chairman Ogden called the Development Commission Work Session to order at 7:05 p.m.

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS – N/A**

**C. CITIZEN COMMENTS – N/A**

**D. CONSENT AGENDA**  
N/A

**E-F. PUBLIC HEARINGS – N/A**

**G. GENERAL BUSINESS – N/A**

**H. ITEMS REMOVED FROM CONSENT AGENDA – N/A**

**I. COMMUNICATIONS FROM COMMISSIONERS**  
*None.*

**J. EXECUTIVE SESSION**  
*None.*

**K. ADJOURNMENT**  
The work session adjourned at 7:06 p.m.

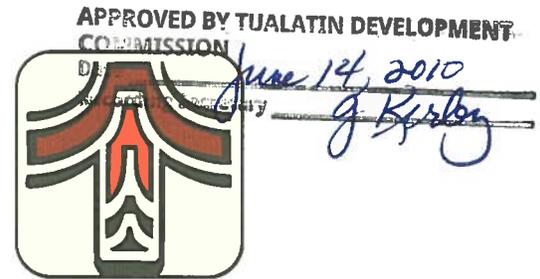
Sherilyn Lombos, Administrator

Recording Secretary / Maureen Smith Maureen Smith

**TUALATIN DEVELOPMENT COMMISSION**

18880 S.W. MARTINAZZI AVENUE  
TUALATIN, OR 97062-7092

503 / 692-2000



**TUALATIN DEVELOPMENT COMMISSION MEETING MINUTES OF MAY 24, 2010**

**PRESENT:** Chairman Lou Ogden; Commissioners Chris Barhyte, Monique Beikman, Joelle Davis, Jay Harris; Sherilyn Lombos, Administrator; Brenda Braden, City Attorney; Mike McKillip, City Engineer; Doug Rux, Community Development Director; Maureen Smith, Recording Secretary

**ABSENT:** Commissioners Maddux\* and Truax\* [*\* denotes excused*]

**A. CALL TO ORDER**

Chairman Ogden called the meeting to order at 9:36 p.m.

**B. PRESENTATIONS, ANNOUNCEMENTS, SPECIAL REPORTS**

*None.*

**C. CITIZEN COMMENTS**

*None.*

**D. CONSENT AGENDA**

*No items on the Consent Agenda.*

**E-F. PUBLIC HEARINGS**

*None.*

**G. GENERAL BUSINESS**

*None.*

**H. ITEMS REMOVED FROM CONSENT AGENDA**

*Items removed from the Consent Agenda will be discussed individually at this time. The Chairman may impose a time limit on speakers addressing these issues.*

**I. COMMUNICATIONS FROM COMMISSIONERS**

*None.*

**J. EXECUTIVE SESSION**

*None.*

**K. ADJOURNMENT**

MOTION by Commissioner Beikman SECONDED by Commissioner Harris to adjourn the meeting at 9:37 p.m. MOTION CARRIED.

Sherilyn Lombos, Administrator

Recording Secretary / Maureen Smith

A handwritten signature in cursive script that reads "Maureen Smith". The signature is written in black ink and is positioned above a horizontal line.



APPROVED BY TUALATIN DEVELOPMENT  
COMMISSION  
Date June 14, 2010  
Recording Secretary J. Kirby

# STAFF REPORT

## TUALATIN DEVELOPMENT COMMISSION

**TO:** Honorable Chairman and Members of the Commission

**THROUGH:** Sherilyn Lombos, Administrator 

**FROM:** Donald A. Hudson, Finance Director   
Doug Rux, Community Development Director 

**DATE:** June 14, 2010

**SUBJECT:** RESOLUTION AUTHORIZING THE ISSUANCE AND  
NEGOTIATED SALE OF THE LEVETON TAX INCREMENT  
DISTRICT SHORT-TERM SUBORDINATE URBAN RENEWAL  
BOND, SERIES 2010

---

### ISSUE BEFORE THE COMMISSION:

Adoption of a resolution authorizing short-term subordinate urban renewal bond (du jour bond) to pay for the costs of urban renewal projects in the Leveton Tax Increment District.

### RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution.

### EXECUTIVE SUMMARY:

- This action is not a public hearing.
- This resolution authorizes the sale of a Leveton Tax Increment District short-term bond in an amount not to exceed \$2,504,909. This will be a bond issued and redeemed within a few days to make funds available to the Leveton Tax Increment District Project Fund and to, in keeping with Oregon Law, pay for the debt in the bond fund.
- Revenue from the sale of the bond is deposited in the Leveton Tax increment District Project Fund and the principal, interest, and loan origination fee is recorded in the Leveton Tax Increment District Bond Fund.
- The Commission has issued "du jour" bonds for a number of years.
- There are no criteria to apply to the request.

STAFF REPORT: Resolution Leveton Tax Increment District Short-term Subordinate  
Bond

June 14, 2010

Page 2 of 2

**OUTCOMES OF DECISION:**

Approval of the Resolution will result in the following:

1. The sale of the short-term subordinate bond with proceeds deposited in the Leveton Tax Increment District Project Fund to cover capital project expenditures.

Denial of the Resolution will result in the following:

1. Insufficient funds in the Leveton Tax Increment District Project Fund to cover capital project expenditures.

**FINANCIAL IMPLICATIONS:**

The sale of the Short-Term Subordinate Bond 2010 is budgeted for Fiscal Year 2009/2010.

**Attachments:**      A. Resolution and Exhibit A

RESOLUTION NO. 587-10

RESOLUTION AUTHORIZING THE ISSUANCE AND  
NEGOTIATED SALE OF THE LEVETON TAX INCREMENT  
DISTRICT SHORT-TERM SUBORDINATE URBAN  
RENEWAL BOND, SERIES 2010

WHEREAS the Tualatin Development Commission (the "Commission") finds it desirable to issue a Short Term Subordinate Urban Renewal Bond to pay for the costs of urban renewal projects in the Leveton Tax Increment District (the "Area"); and

WHEREAS the City of Tualatin has approved a maximum indebtedness for the Area of \$36,424,338. The Commission has previously issued \$33,919,429 of long and short term indebtedness which are subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the Area to which the maximum indebtedness limitation applies. As a result, the Commission has \$2,504,909 of capacity (excluding refinancings) to incur indebtedness for the Area; and,

WHEREAS the Commission finds it desirable to sell the proposed Short Term Subordinate Urban Renewal Bond to Bank of America, N.A.; and

WHEREAS the Commission has issued obligations that have senior liens on the tax increment revenues from the Area; and

WHEREAS the bond that is authorized by this Resolution will have a lien on the Commission's tax increment revenues which is subordinate to the lien of the Commission's outstanding senior lien obligations; now, therefore,

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Definitions. For purposes of this Resolution, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Area" means the Tualatin Leveton Tax Increment District which is described in the Plan, and all additions thereto.

"Bank" means Bank of America, N.A. or its successors.

"Bond" means the Commission's Leveton Tax Increment District Short Term Subordinate Urban Renewal Bond, Series 2010 which is authorized by Section 2 of this Resolution.

"City" means the City of Tualatin, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

"Code" means the United States Internal Revenue Code of 1986, as amended.

“Commission” means the Tualatin Development Commission, the Urban Renewal Agency of the City.

“Commission Official” means the Finance Director of the City or the person designated in writing by the Finance Director to act as Commission Official under this Resolution.

“General Account” means the account in the Tax Increment Fund that holds Tax Increment Revenues not dedicated to pay debt service or reserves on Senior Lien Obligations.

“Plan” means the Commission's Urban Renewal Plan for the Area, which was originally approved as of August 12, 1985, as it has been and may be amended from time to time.

“Resolution” means this Resolution authorizing the Bond.

“Senior Lien Obligations” means all the Commission's outstanding bonds and other indebtedness which are secured by a pledge of the Tax Increment Revenues, and any bonds issued on parity with those outstanding bonds.

“Tax Increment Fund” means the fund established under ORS 457.440(6)(b) to hold the Tax Increment Revenues.

“Tax Increment Revenues” means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and the Oregon Revised Statutes, Chapter 457, all taxes levied in connection with the Plan pursuant to Article XI, Section 11(16) of the Oregon Constitution, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. Authorization of Series 2010 Bond. The Commission hereby authorizes the issuance of the Bond in an aggregate principal which does not exceed the lesser of \$2,504,909 or the amount of Tax Increment Revenues available in the Tax Increment Fund to pay the Bond, after excluding amounts that are required to pay or fund reserves for Senior Lien Obligations. The Bond shall bear interest which is includable in gross income under the Code. The Bond shall bear interest at the rate or rates approved by the Commission Official pursuant to Section 5.3. The Bond shall mature within thirty days after the date it is issued, and shall be issued on the terms established by the Commission Official pursuant to Section 5, below.

Section 3. Security for Series 2010 Bond. The Bond shall not be a general obligation of the City of Tualatin or the Commission. The principal of and the interest on the Bond shall be payable solely from the Tax Increment Revenues, including all amounts in the General Account, and any unspent proceeds of the Bond. The Commission hereby irrevocably pledges the Tax Increment Revenues, including all amounts deposited in the General Account, to pay the Bond. The lien on, and pledge of the Tax Increment Revenues to pay the Bond shall be superior to all other claims against the Tax Increment Revenues except that the lien of the Bond shall not be payable from any amounts that the Commission requires to pay or fund reserves for Senior Lien Obligations. The Commission also hereby irrevocably pledges the proceeds of the Bond, prior to their expenditure, to pay the Bond.

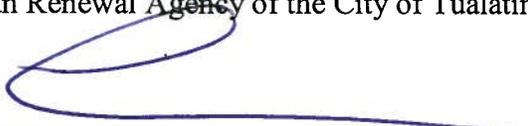
Section 4. Execution of the Bond. The Bond shall be signed with the manual signature of a Commission Official. The Bond shall be in substantially the form attached hereto as Exhibit A with such changes approved by the Commission Official.

Section 5. Sale of Bond. The Bond shall be sold to the Bank in accordance with a purchase agreement approved by the Commission Official. The Commission Official is hereby authorized on behalf of the Commission and without further action by the Commission:

- 5.1 to establish the principal amount, closing date, maturity date, interest rate, interest rate during a period of default, redemption provisions and other terms of the Bond;
- 5.2 to establish the price at which the Bond shall be sold;
- 5.3 to pay and redeem the Bond on or prior to its stated maturity date;
- 5.4 to approve and execute a bond purchase agreement establishing the terms under which the Bond is sold to the Bank including an origination fee; and
- 5.5 to take any other action which is desirable in order to issue, sell, deliver and pay the Bond in accordance with this Resolution.

INTRODUCED AND ADOPTED this 14th day of June, 2010.

TUALATIN DEVELOPMENT COMMISSION  
the Urban Renewal Agency of the City of Tualatin

BY   
Chairman

ATTEST:

BY   
Administrator

APPROVED AS TO LEGAL FORM

  
CITY ATTORNEY

**Exhibit A to Resolution No. \_\_\_\_\_**

No. R-1

\$ \_\_\_\_\_

United States of America  
**Tualatin Development Commission**  
Washington & Clackamas County  
State of Oregon  
Leveton Tax Increment District  
Short Term Subordinate Urban Renewal Bond  
Series 2010

The Tualatin Development Commission, Oregon (the "Commission"), for value received, acknowledges itself indebted and hereby promises to pay no later than \_\_\_\_\_, 2010, but solely from the Tax Increment Revenues, including amounts in the General Account, and any unspent proceeds of this Bond, to Bank of America, N.A. (the "Owner"), the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) with interest thereon from the date hereof at an interest rate equal to the Owner's prime rate of interest. Interest is payable at maturity.

The Commission sold this Bond to the Bank under a purchase agreement dated \_\_\_\_\_, 2010 (the "Series 2010 Purchase Agreement") and pursuant to the authority of Commission Resolution No. \_\_\_\_\_ adopted on June 14, 2010 (the "Resolution"). Capitalized terms used but not defined in this Bond shall have the meaning for such term in the Series 2010 Purchase Agreement or the Resolution.

This Bond is subject to redemption at the option of the Commission on any date, in whole or in part, and is subject to mandatory redemption in whole on any date upon the occurrence and declaration of an Event of Default by the Owner, at a price of par plus accrued interest.

**THIS BOND IS NOT A GENERAL OBLIGATION OF THE COMMISSION OR THE CITY OF TUALATIN, OREGON, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES AND THE PROCEEDS OF THIS BOND, AS PROVIDED IN THE RESOLUTION.**

This Bond is issued by the Commission for the purpose of financing the costs of urban renewal projects within the Tualatin Leveton Tax Increment District in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Commission has pledged the Tax Increment Revenues of the Leveton Tax Increment District and any unspent proceeds of this Bond to pay the Bond. The lien of this Bond on the Tax Increment Revenues is subordinate to the lien of the Commission's outstanding Senior Lien Obligations, as provided in the Resolution.

**IT IS HEREBY CERTIFIED, RECITED, AND DECLARED** that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the Commission, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

Exhibit A to Resolution No. \_\_\_\_\_

**IN WITNESS WHEREOF**, the Commission has caused this bond to be signed by the signature of its Commission Official as of this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**Tualatin Development Commission, Oregon**

\_\_\_\_\_  
Commission Official

Attest:

\_\_\_\_\_  
Administrator



APPROVED BY TUALATIN DEVELOPMENT  
COMMISSION  
Date June 14, 2010  
Recording Secretary J. K. By

# STAFF REPORT

## TUALATIN DEVELOPMENT COMMISSION

**TO:** Honorable Chairman and Members of the Commission

**THROUGH:** Sherilyn Lombos, Administrator 

**FROM:** Donald A. Hudson, Finance Director   
Doug Rux, Community Development Director 

**DATE:** June 14, 2010

**SUBJECT:** RESOLUTION AUTHORIZING THE ISSUANCE AND  
NEGOTIATED SALE OF THE CENTRAL URBAN RENEWAL  
DISTRICT SHORT-TERM SUBORDINATE URBAN RENEWAL  
BOND SERIES 2010

---

### ISSUE BEFORE THE COMMISSION:

Adoption of a resolution authorizing short-term subordinate urban renewal bond (du jour bond) to pay for the costs of urban renewal projects in the Central Urban Renewal District.

### RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution.

### EXECUTIVE SUMMARY:

- This action is not a public hearing.
- This resolution authorizes the sale of a Central Urban Renewal District short-term bond in an amount not to exceed \$622,489. This will be a bond issued and redeemed within a few days to make funds available to the Central Urban Renewal District Project Fund and to, in keeping with Oregon Law, pay for the debt in the bond fund.
- Revenue from the sale of the bond is deposited in the Central Urban Renewal District Project Fund and the principal, interest, and loan origination fee is recorded in the Central Urban Renewal District Bond Fund.
- The Commission has issued "du jour" bonds for a number of years.
- There are no criteria to apply to the request.

STAFF REPORT: Resolution Central Urban Renewal District Short-term Subordinate  
Bond

June 14, 2010

Page 2 of 2

**OUTCOMES OF DECISION:**

Approval of the Resolution will result in the following:

1. The sale of the short-term subordinate bond with proceeds deposited in the Central Urban Renewal District Project Fund to cover capital project expenditures.

Denial of the Resolution will result in the following:

1. Insufficient funds in the Central Urban Renewal District Project Fund to cover capital project expenditures.

**FINANCIAL IMPLICATIONS:**

The sale of the Short-Term Subordinate Bond 2010 is budgeted for Fiscal Year 2009/2010.

**Attachments:**      A. Resolution and Exhibit A

RESOLUTION NO. 588-10

RESOLUTION AUTHORIZING THE ISSUANCE AND  
NEGOTIATED SALE OF THE CENTRAL URBAN RENEWAL  
AREA SHORT-TERM SUBORDINATE URBAN RENEWAL  
BOND, SERIES 2010

WHEREAS the Tualatin Development Commission (the "Commission") finds it desirable to issue a Short Term Subordinate Urban Renewal Bond to pay for the costs of urban renewal projects in the Central Urban Renewal Area (the "Area"); and

WHEREAS the City of Tualatin has approved a maximum indebtedness for the Area of \$27,705,384. The Commission has previously issued \$27,082,895 of long and short term indebtedness which are subject to the maximum indebtedness limitation, and there is no other indebtedness outstanding for the Area to which the maximum indebtedness limitation applies. As a result, the Commission has \$622,489 of capacity (excluding refinancings) to incur indebtedness for the Area; and

WHEREAS the Commission finds it desirable to sell the proposed Short Term Subordinate Urban Renewal Bond to Bank of America, N.A.; and

WHEREAS the Commission has issued obligations that have senior liens on the tax increment revenues from the Area; and

WHEREAS the bond that is authorized by this Resolution will have a lien on the Commission's tax increment revenues which is subordinate to the lien of the Commission's outstanding senior lien obligations; now, therefore,

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Definitions. For purposes of this Resolution, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Area" means the Tualatin Central Urban Renewal Area which is described in the Plan, and all additions thereto.

"Bank" means Bank of America, N.A. or its successors.

"Bond" means the Commission's Central Urban Renewal Area Short Term Subordinate Urban Renewal Bond, Series 2010 which is authorized by Section 2 of this Resolution.

"City" means the City of Tualatin, Oregon, a city duly organized and existing under and by virtue of the laws of the State of Oregon and the Charter of the City.

"Code" means the United States Internal Revenue Code of 1986, as amended.

“Commission Official” means the Finance Director of the City or the person designated in writing by the Finance Director to act as Commission Official under this Resolution.

“Commission” means the Tualatin Development Commission, the Urban Renewal Agency of the City.

“General Account” means the account in the Tax Increment Fund that holds Tax Increment Revenues not dedicated to pay debt service or reserves on Senior Lien Obligations.

“Plan” means the Commission's Urban Renewal Plan for the Area, which was originally approved as of January 27, 1975, as it has been and may be amended from time to time.

“Resolution” means this Resolution authorizing the Bond.

“Senior Lien Obligations” means all the Commission's outstanding bonds and other indebtedness which are secured by a pledge of the Tax Increment Revenues, and any bonds issued on parity with those outstanding bonds.

“Tax Increment Fund” means the fund established under ORS 457.440(6) to hold the Tax Increment Revenues.

“Tax Increment Revenues” means all ad valorem tax revenues from property within the Area which are attributable to the increase in assessed value of property within the Area pursuant to Section 1c, Article IX of the Oregon Constitution and the Oregon Revised Statutes, Chapter 457, all taxes levied in connection with the Plan pursuant to Article XI, Section 11(16) of the Oregon Constitution, and all earnings thereon while the Tax Increment Revenues are held in the Tax Increment Fund.

Section 2. Authorization of Series 2010 Bond. The Commission hereby authorizes the issuance of the Bond in an aggregate principal which does not exceed the lesser of \$622,489 or the amount of Tax Increment Revenues available in the Tax Increment Fund to pay the Bond, after excluding amounts that are required to pay or fund reserves for Senior Lien Obligations. The Bond shall bear interest which is includable in gross income under the Code. The Bond shall bear interest at the rate or rates approved by the Commission Official pursuant to Section 5.3. The Bond shall mature within thirty days after the date it is issued, and shall be issued on the terms established by the Commission Official pursuant to Section 5, below.

Section 3. Security for Series 2010 Bond. The Bond shall not be a general obligation of the City of Tualatin or the Commission. The principal of and the interest on the Bond shall be payable solely from the Tax Increment Revenues, including all amounts in the General Account, and any unspent proceeds of the Bond. The Commission hereby irrevocably pledges the Tax Increment Revenues, including all amounts deposited in the General Account, to pay the Bond. The lien on, and pledge of the Tax Increment Revenues to pay the Bond shall be superior to all other claims against the Tax Increment Revenues except that the lien of the Bond shall not be payable from any amounts that the Commission requires to pay or fund reserves for Senior Lien Obligations. The Commission also hereby irrevocably pledges the proceeds of the Bond, prior to their expenditure, to pay the Bond.

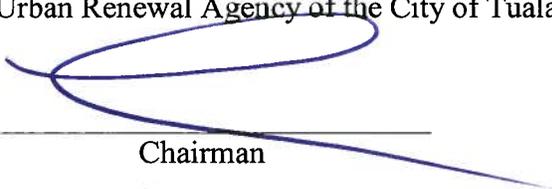
Section 4. Execution of the Bond. The Bond shall be signed with the manual signature of a Commission Official. The Bond shall be in substantially the form attached hereto as Exhibit A with such changes approved by the Commission Official.

Section 5. Sale of Bond. The Bond shall be sold to the Bank in accordance with a purchase agreement approved by the Commission Official. The Commission Official is hereby authorized on behalf of the Commission and without further action by the Commission:

- 5.1 to establish the principal amount, closing date, maturity date, interest rate, interest rate during a period of default, redemption provisions and other terms of the Bond;
- 5.2 to establish the price at which the Bond shall be sold;
- 5.3 to pay and redeem the Bond on or prior to its stated maturity date;
- 5.4 to approve and execute a bond purchase agreement establishing the terms under which the Bond is sold to the Bank, including an origination fee; and
- 5.5 to take any other action which is desirable in order to issue, sell, deliver and pay the Bond in accordance with this Resolution.

INTRODUCED AND ADOPTED this 14th day of June, 2010.

TUALATIN DEVELOPMENT COMMISSION  
the Urban Renewal Agency of the City of Tualatin

BY  \_\_\_\_\_  
Chairman

ATTEST:

BY  \_\_\_\_\_  
Administrator

APPROVED AS TO LEGAL FORM

  
\_\_\_\_\_  
CITY ATTORNEY

**Exhibit A to Resolution No. \_\_\_\_\_**

No. R-1

\$ \_\_\_\_\_

United States of America  
**Tualatin Development Commission**  
Washington & Clackamas County  
State of Oregon  
Central Urban Renewal Area  
Short Term Subordinate Urban Renewal Bond  
Series 2010

The Tualatin Development Commission, Oregon (the "Commission"), for value received, acknowledges itself indebted and hereby promises to pay no later than \_\_\_\_\_, 2010, but solely from the Tax Increment Revenues, including amounts in the General Account, and any unspent proceeds of this Bond, to Bank of America, N.A. (the "Owner"), the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) with interest thereon from the date hereof at an interest rate equal to the Owner's prime rate of interest. Interest is payable at maturity.

The Commission sold this Bond to the Bank under a purchase agreement dated \_\_\_\_\_, 2010 (the "Series 2010 Purchase Agreement") and pursuant to the authority of Commission Resolution No. \_\_\_\_\_ adopted on June 14, 2010 (the "Resolution"). Capitalized terms used but not defined in this Bond shall the meaning for such term in the Series 2010 Purchase Agreement or the Resolution.

This Bond is subject to redemption at the option of the Commission on any date, in whole or in part, and is subject to mandatory redemption in whole on any date upon the occurrence and declaration of an Event of Default by the Owner, at a price of par plus accrued interest.

**THIS BOND IS NOT A GENERAL OBLIGATION OF THE COMMISSION OR THE CITY OF TUALATIN, OREGON, AND IS PAYABLE SOLELY FROM THE TAX INCREMENT REVENUES AND THE PROCEEDS OF THIS BOND, AS PROVIDED IN THE RESOLUTION.**

This Bond is issued by the Commission for the purpose of financing the costs of urban renewal projects within the Tualatin Central Urban Renewal Area in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The Commission has pledged the Tax Increment Revenues of the Central Urban Renewal Area and any unspent proceeds of this Bond to pay the Bond. The lien of this Bond on the Tax Increment Revenues is subordinate to the lien of the Commission's outstanding Senior Lien Obligations, as provided in the Resolution.

**IT IS HEREBY CERTIFIED, RECITED, AND DECLARED** that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the Commission, are within every debt limitation and other limit prescribed by such Constitution and Statutes.

Exhibit A to Resolution No. \_\_\_\_\_

**IN WITNESS WHEREOF**, the Commission has caused this bond to be signed by the signature of its Commission Official as of this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**Tualatin Development Commission, Oregon**

\_\_\_\_\_  
Commission Official

Attest:

\_\_\_\_\_  
Administrator



APPROVED BY TUALATIN DEVELOPMENT  
COMMISSION  
Date June 14, 2010  
Recording Secretary [Signature]

# STAFF REPORT

## TUALATIN DEVELOPMENT COMMISSION

**TO:** Honorable Chairman and Members of the Commission

**THROUGH:** Sherilyn Lombos, Administrator 

**FROM:** Donald A. Hudson, Finance Director 

**DATE:** June 14, 2010

**SUBJECT:** RESOLUTION AUTHORIZING CHANGES TO THE ADOPTED  
2009 – 2010 BUDGET

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### ISSUE BEFORE THE COMMISSION:

Whether or not to approve changes to the Adopted 2009 – 2010 Budget

### RECOMMENDATION:

Staff recommends that the Commission adopt the attached resolution.

### EXECUTIVE SUMMARY:

Occasionally, it becomes necessary after the budget is adopted to increase the total expenditures of a category within a fund. Oregon Revised Statutes (ORS) 294.450, *Transfers of appropriations within fund or from one fund to another; appropriation of pass-through revenues*, allows for the transfer of existing appropriations within the same fund. A transfer of appropriation is a decrease of one existing appropriation and a corresponding increase of another existing appropriation. In this case, the net effect to the fund is zero. To transfer an appropriation, the governing body must pass a resolution authorizing the transfer. An appropriation transfer does not require a public hearing be held.

During the past fiscal year, there were an increased number of meetings related to the Central Urban Renewal District, causing staff overtime to be exceeded. A resolution transfer from contingency is requested to cover the additional costs.

### OUTCOMES OF DECISION:

Failure to pass the resolution puts the Commission in danger of not complying with Local Budget Law.

**FINANCIAL IMPLICATIONS:**

The net effect to the affected fund is zero, as it is simply a transfer of already approved appropriations.

**Attachments:**      A. Resolution

RESOLUTION NO. 589-10

RESOLUTION AUTHORIZING CHANGES TO THE ADOPTED 2009 - 2010 BUDGET

WHEREAS after the budget process for the 2009-2010 fiscal year was completed, an occurrence or condition arose that could not have been ascertained at the time of the budget preparation; and

WHEREAS in order to lawfully comply with the requirements of Local Budget Law, increases in budgeted resources and requirements are necessary; and

WHEREAS Oregon Revised Statutes (ORS) 294.480 allows for the preparation and adoption of a supplemental budget.

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION, THE URBAN RENEWAL AGENCY OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The Tualatin Development Commission wishes to comply with Local Budget Law, and authorize spending of additional resources; and

Section 2. Urban Renewal Administration – Overtime (040-1000-701.10-04) should be increased by \$1,000 and Urban Renewal Administration – Contingency (040-1000-701.97-01) should be decreased by \$1,000

INTRODUCED AND ADOPTED this 14th day of June, 2010.

TUALATIN DEVELOPMENT COMMISSION,  
the urban renewal agency of the City of  
Tualatin, Oregon

BY \_\_\_\_\_  
Chairman

ATTEST:  
BY   
Administrator

APPROVED AS TO LEGAL FORM

  
CITY ATTORNEY



APPROVED BY TUALATIN DEVELOPMENT  
COMMISSION  
Date June 14, 2010  
Recording Secretary J. Kirby

# STAFF REPORT

## TUALATIN DEVELOPMENT COMMISSION

**TO:** Honorable Chairman and Members of the Commission

**THROUGH:** Sherilyn Lombos, Administrator 

**FROM:** Donald A. Hudson, Finance Director 

**DATE:** June 14, 2010

**SUBJECT:** A RESOLUTION ADOPTING THE TUALATIN DEVELOPMENT COMMISSION BUDGET, AND MAKING APPROPRIATIONS, FOR THE FISCAL YEAR COMMENCING JULY 1, 2010

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### ISSUE BEFORE THE COMMISSION:

Adoption of the Fiscal Year 2010 – 2011 budget.

### RECOMMENDATION:

Staff recommends adoption of the attached resolution, which includes the Approved Fiscal Year 2010 - 2011 Budget, with additional changes as outlined below.

### EXECUTIVE SUMMARY:

- This is a public hearing to consider public input on the Fiscal Year 2010 - 2011 Budget.
- The Budget Committee approved the proposed budget on May 25, 2010.
- State law requires the Commission to adopt a budget prior to July 1, 2010.
- The total of the Fiscal Year 2010 - 2011 Budget is \$15,549,155. This figure includes updated projections.

### OUTCOMES OF DECISION:

By adopting the budget before July 1st, the Commission will be able to operate, expend money and incur liabilities for fiscal year 2010 - 2011.

### DISCUSSION:

The total budget for the Commission is \$15,549,155 and is divided among Economic Development Administration (\$794,084), Central Urban Renewal Projects (\$3,765,689), Central Urban Renewal Bonds (\$1,688,024), Leveton Tax Increment District Projects

(\$8,261,260) and Leveton Tax Increment District Bonds (\$1,040,098). The Project funds receive funds from the Bond Funds to account for capital projects that are identified in each District's adopted Plan. The Bond funds received the tax increment revenues and accounted for the debt service expenditures. Once final audited numbers are received, remaining balances in the Bond funds will be returned to the County Assessor's Office for distribution to the overlapping taxing districts.

With both district's reaching their maximum indebtedness in fiscal year 2009 – 2010, no additional tax increment will be received by the Commission. Funds already received in the projects funds will be used to complete identified projects. The projects scheduled for this upcoming fiscal year in the Central Urban Renewal District include completion of the Quiet Zone project and construction of the Tualatin-Sherwood Road beautification project. The Leveton Tax Increment District budget includes projects for the completion of the extension of Leveton Drive, wetland monitoring and reporting for Herman Road and the extension of Cummins Drive.

In addition to the budget approved by the budget committee, the Commission has the ability to change the approved budget in each fund by no more than 10% of the total budget. Typical changes that the Commission may make are related to unanticipated lags in completion of capital projects that necessitate adjustments to future year budget(s), especially for large construction projects. The adjustments included in the attached resolution fall into this category.

The carry-forwards for these projects are "self-funding" because the beginning fund balance for 2010 - 2011 is increased by the amount budgeted and not spent in the current fiscal year (2009 - 2010). This increases both the revenue and the expenditure appropriations in the appropriate fund.

Proposed changes include:

Central Urban Renewal District Projects Fund

- Tualatin-Sherwood Enhancement (UC0602) - \$342,335

Leveton Tax Increment District Projects Fund

- Leveton Drive/128<sup>th</sup>-130<sup>th</sup> to 99W (UL0801) - \$300,000
- 128<sup>th</sup> Avenue-Leveton to Cummins (UL0802) - \$300,000

None of the carry-forwards exceed 10% of the approved budget and are, therefore, allowed to be added by the Commission at the public hearing.

Attachments: Resolution

RESOLUTION NO. 590-10

A RESOLUTION ADOPTING THE TUALATIN DEVELOPMENT COMMISSION'S BUDGET, AND MAKING APPROPRIATIONS, FOR THE FISCAL YEAR COMMENCING JULY 1, 2010

BE IT RESOLVED BY THE TUALATIN DEVELOPMENT COMMISSION, THE RENEWAL AGENCY OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The Board of Commissioners of the Tualatin Development Commission hereby adopts the Budget approved by the Budget Committee and adjusted by the Commission for 2010 - 11 in the total sum of \$15,549,155 (including \$5,089,626, Reserves) now on file at the City Offices.

Section 2. The amounts for the fiscal year beginning July 1, 2010, and for the purposes shown below, are hereby appropriated:

URBAN REDEVELOPMENT ADMINISTRATION FUND

Personal Services	\$ 244,190
Material & Services	49,044
Transfers	215,678
Contingency	285,172

Total URBAN REDEVELOPMENT ADMIN FUND Appropriation ..... \$ 794,084

CENTRAL URBAN RENEWAL DISTRICT - PROJECT FUND

Material & Services	\$ 176,000
Capital Outlay	3,117,135
Transfers	236,000
Contingency	236,000

Total CURD PROJECT FUND Appropriation ..... \$ 3,765,135

Reserve Funds	554
Total CURD PROJECT FUND	<u>\$3,765,689</u>

CENTRAL URBAN RENEWAL DISTRICT - BOND FUND

Reserve Funds	\$1,688,024
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Total CURD BOND FUND ..... \$ 1,688,024

LEVETON TAX INCREMENT DISTRICT PROJECT FUND

Material & Services	\$ 20,000
Capital Outlay	5,124,310
Transfers	256,000
Contingency	500,000

Total LEVETON TAX INCREMENT DISTRICT PROJECT FUND Appropriation.....	\$5,900,310
Reserve Funds	<u>2,360,950</u>
Total LTID PROJECT FUND	\$8,261,260

LEVETON TAX INCREMENT DISTRICT BOND FUND

Reserve Funds	\$1,040,098
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Total LEVETON TAX INCREMENT DISTRICT BOND FUND ..... \$ 1,040,098

TOTAL APPROPRIATIONS .....	\$10,459,529
TOTAL RESERVES .....	<u>5,089,626</u>

TOTAL DEVELOPMENT COMMISSION BUDGET ..... \$15,549,155

INTRODUCED AND ADOPTED this 14th day of June, 2010.

TUALATIN DEVELOPMENT COMMISSION, the Urban Renewal Agency of the City of Tualatin

BY \_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_  
BY \_\_\_\_\_  
Administrator

APPROVED AS TO LEGAL FORM

Brenda L. Brader  
CITY ATTORNEY