



City of Central Point  
**Development Commission**  
Meeting

Members: Hank Williams  
Allen Broderick  
Bruce Dinger  
Tanea Browning  
Mike Quilty  
Brandon Thueson  
Rob Hernandez  
Staff Liaison: Chris Clayton

**Thursday, March 23, 2017**  
**6:30 P.M.**

Central Point  
Council Chambers  
140 S. 3<sup>rd</sup> Street  
Central Point, Oregon

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Meeting time, date, or location may be subject to change. Please contact the City Recorder at 541-423-1026 for additional information.

- I. MEETING CALLED TO ORDER – 6:30 p.m.**
- II. ROLL CALL**
- III. APPROVAL OF MINUTES – February 23, 2017**
- IV. DISCUSSION ITEMS**
  - A. East Pine Streetscape Engineering Costs Update
- V. BUSINESS**
  - A. Consideration of Resolution No. 2017-05 Approving an Intergovernmental Agreement between the City of Central Point and the Central Point Development Commission
- VI. ADJOURNEMENT**

**CITY OF CENTRAL POINT  
Development Commission Notes  
February 23, 2017**

**I. REGULAR MEETING CALLED TO ORDER**

Chair, Mayor Hank Williams opened the meeting at 6:30 p.m.

**II. ROLL CALL:**

Chair: Mayor Hank Williams

Commission Members: Bruce Dingler, Rob Hernandez, Brandon Thueson, Tanea Browning and Mike Quilty were present. Allen Broderick was excused.

City Manager Chris Clayton; Community Development Director Tom Humphrey; Finance Director Steven Weber; and City Recorder Deanna Casey were also present.

**III. APPROVAL OF JANUARY 26, 2017 DEVELOPMENT COMMISSION MINUTES.**

**Bruce Dingler moved to approve the minutes as presented.** Mike Quilty seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Tanea Browning, yes; Brandon Thueson, yes; Allen Broderick, yes; and Mike Quilty, yes. Motion approved.

**III. DISCUSSION ITEMS**

**A. East Pine Street Financing Update**

City Manager explained that the City is moving forward on the Water Reservoir Refunding, from which an approximate \$5,100,000 will be available for funding the East Pine Streetscape Project. The latest scope of work and cost estimates should be finalized for the March 23, 2017 Development Commission Meeting. An Intergovernmental Agreement will also be considered between the Commission and the Council structuring the terms of the loan. We are anticipating cost estimates to be less than the original amounts. This will include improvements from 2<sup>nd</sup> Street to 6<sup>th</sup> Street.

The City will be refinancing the Vilas Road water reservoir for 10 million dollars at a lower interest rate than they currently have. The additional funds will be loaned to the Development Commission to help finance the East Pine Streetscape project. Bond Counsel has already prepared the IGA and the City attorney is currently reviewing it for consideration in March.

This was an informational only item, no action was requested.

**IV. BUSINESS**

**A. Consideration of Resolution No. 2017-03 Modifying the Historic Façade Grant Program.**

Community Development Director Tom Humphrey stated that due to the low frequency of Historic Façade Grant Program applications the commission directed staff to prepare modifications to the program. In order to broaden appeal to the local businesses it was recommended that we modify the program to:

- Clarify the review process;
- Broaden the scope of projects qualifying for the Grant Program with less emphasis on historic and more on the TOD design standards and guidelines for the Central Point Downtown Revitalization Plan;
- Remove references to compliance with the Secretary of Interior's Standards for Rehabilitation and with the State Historic Preservation Office;
- Rename the Grant Program to the East Pine Street Façade Grant Program.

There was discussion regarding historic verses TOD Design Standards. The Commission would still be the deciding factor when an application is received for reimbursement of funds for improvements. The intention is to encourage more businesses downtown to improve their curb appeal as we proceed with the E. Pine Streetscape project.

**Mike Quilty moved to approve Resolution No. 2017-03 modifying the Historic Façade Grant Program.** Brandon Thueson seconded. Roll call: Hank Williams, yes; Bruce Dinger, yes; Tanea Browning, yes; Brandon Thueson, yes; Allen Broderick, yes; and Mike Quilty, yes. Motion approved.

**B. Consideration of Resolution No. 2017-04 Approving a Historic Façade Grant for the Property at 51 E. Pine Street, James Gough, Applicant**

Mr. Humphrey stated that the Commission has received a request for a Historic Façade Improvement Grant for 51 East Pine Street (Corner Club). The applicant is proposing to refurbish the existing neon sign which has been viewed as a Downtown Landmark. Neon signs are permitted and encouraged in the TOD-EC zoning district.

The Building was constructed in 1948 and the Corner Club established that year. It has been in operation for 69 years. The Corner Club neon sign was installed in 1948 which is a post WWII period. The grant program will cover 50% of the \$5,125 it will cost to refurbish the neon sign.

**Tanea Browning moved to approve Resolution No. 2017-04 Approving a Historic Façade Grant for the Property at 51 E. Pine Street, James Gough, Applicant.** Allen Broderick seconded. Roll call: Hank Williams, yes; Bruce Dinger, yes; Tanea Browning, yes; Brandon Thueson, yes; Allen Broderick, yes; and Mike Quilty, yes. Motion approved.

There was discussion if we have a current list of historic buildings for Central Point. Mr. Humphrey explained that there are some buildings listed in the Central Point Comprehensive Plan, and one has been listed with the State Historical Buildings registry. There are challenges listing a building as historical, once on a list the owners are limited to what they can do to the building.

**VI. ADJOURNMENT**

Brandon Thueson moved to adjourn, Tanea Browning seconded, all said "aye" and the meeting was adjourned at 6:52 pm.

Dated:

\_\_\_\_\_  
Chair Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder Deanna Casey, MMC



STAFF REPORT

**STAFF REPORT**

March 23, 2017

(File No. UR-2016-001)

**AGENDA ITEM: V-A**

Consideration of Resolution No. 2017-005 Approving an Intergovernmental Agreement between the City of Central Point and the Central Point Development Commission

**STAFF SOURCE:**

Don Burt, Planning Manager

**BACKGROUND:**

At the February 23, 2017 Development Commission meeting the funding of the East Pine Streetscape Project was discussed, most specifically the Intergovernmental Agreement (IGA) between the City and the Development Commission. At this time the IGA has been completed (Exhibit “A”) and is ready for final consideration and action by the Development Commission. The City Council will be considering the IGA at their March 23, 2017 meeting.

The IGA obligates the Development Commission to repay \$3,634,000 (Financing Amount) over a thirteen-year period for its participation in the East Pine Streetscape Project. The annual debt service payments will be identified in Exhibit “A” of the IGA, but will not be finalized until the interest rate is set at closing (approx. 4/10/2017). The approximate annual debt service schedule is presented in the following table:

<b>Fiscal Year</b>	<b>Payment</b>
<b>FY2016-17</b>	\$ 20,400
<b>FY2017-18</b>	\$ 194,800
<b>FY2018-19</b>	\$ 205,000
<b>FY2019-20</b>	\$ 223,500
<b>FY2020-21</b>	\$ 262,400
<b>FY2021-22</b>	\$ 287,300
<b>FY2022-23</b>	\$ 311,500
<b>FY2023-24</b>	\$ 339,800
<b>FY2024-25</b>	\$ 363,000
<b>FY2025-26</b>	\$ 382,000
<b>FY2026-27</b>	\$ 395,000
<b>FY2027-28</b>	\$ 362,200
<b>FY2028-29</b>	\$ 361,600
<b>FY2029-30</b>	\$ 361,700
<b>FY2030-31</b>	\$ 361,600
<b>TOTAL Principal &amp; Interest</b>	\$4,439,000

The IGA requires that debt service payments be the sole obligation of the Development Commission’s tax increment revenues (TIR). Each fiscal year there will be two payments; one in June and the other in December. The above table identifies the approximate annual total. Payments have been structured to anticipated tax increment revenues. For the current budget year the Development Commission has already budgeted an amount (\$390,000) sufficient to cover the estimated \$20,400 due in June. The following table compares the estimated debt service vs. estimate TIR projections for the next five years. The TIR projections are based on a very conservative projection using the TIR history (four years) and using an annual average valuation growth of 1.6%. Over the past four years, the annual average has been 2.2%.

<b>FY</b>	<b>E. Pine D/S</b>	<b>Projected TIR</b>	<b>TIR Balance</b>
FY17-18	\$ 149,800	\$ 238,511	\$ 88,711
FY18-19	\$ 205,000	\$ 279,242	\$ 74,242
FY19-20	\$ 223,500	\$ 320,638	\$ 97,138
FY20-21	\$ 262,400	\$ 362,708	\$ 100,308
FY21-22	\$ 287,300	\$ 405,465	\$ 118,165

**ISSUES:**

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The only issue regarding the IGA is the tax increment revenues being sufficient to make annual debt service payments.

**EXHIBITS/ATTACHMENTS:**

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Exhibit “A – Intergovernmental Agreement”  
 Exhibit “B – IGA Resolution”

**ACTION:**

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Consideration of Resolution 2017-05

**RECOMMENDATION:**

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Approve Resolution No. 2017-05

**Exhibit A:  
Form of  
Intergovernmental Agreement  
to Make Financing Payments**

by and between the

**Central Point Development Commission, Oregon**

and the

**City of Central Point, Oregon**

Dated as of \_\_\_\_\_, 2017

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## **Intergovernmental Agreement to Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of \_\_\_\_\_, 2017, and is entered into by and between the Central Point Development Commission, Oregon (the “Commission”) and the City of Central Point, 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 that are defined in this Section 1(1) shall have the following meanings:

“Area” means the Central Point Urban Renewal Area described in the Plan.

“Financing Agreement” means the Financing Agreement (Series 2017) between the City and \_\_\_\_\_ in the principal amount of \$\_\_\_\_\_ to finance the Projects, which is dated as of \_\_\_\_\_, 2017.

“Financing Payments” means the principal and interest payments the City is required to make to \_\_\_\_\_ under the Financing Agreement that are attributable to the Projects, which payments are provided in Exhibit A hereto.

“Plan” means the Downtown & East Pine Street Corridor Revitalization Plan approved by City Ordinance No. 1955, as that plan has been, and may in the future be, amended.

“Projects” means a portion of the projects described in the Plan, including East Pine Street improvements, downtown core area signals, and miscellaneous public works projects.

“Tax Increment Revenues” means all revenues that the Commission collects for the 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, in part, finance costs of the Projects and to pay costs of issuance.

(B) The Projects are properly described as urban renewal projects in the Plan.

(C) The Commission is authorized to spend Tax Increment Revenues to pay for the costs of the Projects.

(D) The Projects will assist the Commission in carrying out the Plan.

- (E) The Commission will only spend the proceeds it receives from the City on the Projects so long as the Projects are described in the Plan, located in the Area, and are owned by the City or the Commission.
- (F) The Commission's maximum indebtedness is \$43,177,530, the Commission has made not more than \$182,000 of expenditures that count against that limit, and therefore has at least \$42,995,530 of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

## **Section 2. The Financing Payments.**

- (1) The Financing Payments.

The Commission hereby agrees to pay to the City, not less than one business day prior to the dates on which the City is required to pay the Financing Payments, amounts that are equal to the Financing Payments in a maximum principal amount of \$\_\_\_\_\_. The amounts and dates of the Financing Payments are shown in Exhibit A.

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

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

## **Section 3. Prepayment.**

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

## **Section 4. Estoppel.**

The Commission 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 Commission that is enforceable against the Commission 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 Commission 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 Jackson County, Oregon, or any court in the State of Oregon where jurisdiction and venue are proper.

(6) Rules of Construction.

References to section numbers in documents that 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 Commission and the City have executed this Intergovernmental Agreement as of the date indicated above.

**For the Central Point Development Commission,  
Oregon**

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Authorized Officer

**For the City of Central Point, Oregon**

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Authorized Officer

**EXHIBIT A**

**Financing Payment Schedule**

Interest at the rate of \_\_\_\_\_%, calculated on a \_\_\_\_\_ basis, is payable \_\_\_\_\_ on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 commencing \_\_\_\_\_ 1, 20\_\_\_. Principal is payable according to the following schedule:

Date      Principal

**RESOLUTION NO. 2017-005**

**A RESOLUTION OF THE CENTRAL POINT DEVELOPMENT COMMISSION  
AUTHORIZING THE FINANCING OF THE EAST PINE STREETScape  
PROJECT THROUGH THE USE OF AN INTERGOVERNMENTAL  
AGREEMENT WITH THE CITY OF CENTRAL POINT.**

**WHEREAS**,The Central Point Development Commission (“Development Commission”) is authorized by ORS 457.190(1) and Section 1.6.8(E) of the Downtown & East Pine Street Corridor Revitalization Plan (“Plan”), an urban renewal plan of the City of Central Point to accept loans for the purposes of undertaking and carrying out urban renewal projects; and

**WHEREAS**, the Plan, pursuant to ORS 457.190(3) includes a Maximum Indebtedness amount of \$43,177,530 having a current remaining balance in excess of \$39,000,000; and

**WHEREAS**, the Development Commission is prepared to fund the East Pine Streetscape Project (“Project”) identified as Project Nos. 1, 5(d), 7, and 12 as identified in Section 1.6.1(C) of the Plan, an authorized urban renewal project; and

**WHEREAS**, the Development Commission is prepared to enter into an Intergovernmental Agreement (IGA) with the City of Central Point (“City”) for funding of the Project in the amount of approximately \$3,700,000; and

**WHEREAS**, the Development Commission will use its tax increment revenues to pay all amounts due the City per the IGA; and

**WHEREAS**, the Development Commission is projected to have sufficient tax increment revenues necessary to meet its financial obligation as stated in the IGA.

**NOW, THEREFORE, BE IT RESOLVE**, that the Central Point Development Commission hereby approves Resolution No. 2017-005 authorizing the Urban Renewal Manager to enter into an Intergovernmental Agreement with the City of Central Point (Exhibit “A”) attached hereto in an amount of approximately \$3,700,000.

**PASSED** by the Development Commission and signed by me in authentication of its passage this 23<sup>rd</sup> day of March 2017.

**Central Point Development Commission**

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Hank Williams, Chair

**Attest:**

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Deanna Casey, City Recorder