



ALBANY REVITALIZATION AGENCY  
AGENDA

**Wednesday, February 16, 2022**

**5:15 p.m.**

This meeting will be conducted remotely.

Join on [Zoom](#)

You can also dial in using your phone.

Phone: 253-215-8782 | Meeting ID: 816 8528 8959 | Passcode: 744298

1. Call to Order
2. Roll Call
3. Approval of Minutes
  - a. January 19, 2022 [Pages 2-5]
4. Business from the Public

*Persons wanting to address the agency during "business from the public" must send their written comments by email to [sophie.dykast@cityofalbany.net](mailto:sophie.dykast@cityofalbany.net). Please limit comments to one page and include your name and address. Emails received before noon on the day of the meeting will be shared via email with the Albany Revitalization Agency.*
5. CARA Member Ratifications [Pages 6-12]
6. ARA Borrowing Resolution [Pages 13-38] (Sherry)
7. Staff Updates
  - a. Waterfront Update [Page 39] (Sherry, Chelsea McCann)
8. Business from the Agency
9. Next Meeting Date: Wednesday, March 16, 2022
10. Adjournment

Microphones will be muted and webcams will be turned off for presenters and members of the public unless called upon to speak.

If participant(s) disrupt the meeting, the participant(s) microphone and webcam will be turned off.

If disruption continues, the participant(s) will be removed from the meeting.

*Due to the COVID-19 pandemic, the Albany Revitalization Agency will meet virtually. If you have a disability that requires accommodation, please notify city staff at least 48-hours in advance of the meeting at: [cdaa@cityofalbany.net](mailto:cdaa@cityofalbany.net) or call 541-917-7550*



**MINUTES**

January 19, 2022

5:15 p.m.

Remote

Approved: **DRAFT**

Call to Order

Chair Bessie Johnson called the meeting to order at 5:15 p.m.

Roll Call

Members present: Alex Johnson II, Dick Olsen, Matilda Novak, Stacey Bartholomew, Ray Kopczynski, Bessie Johnson, and Marilyn Smith.

Members absent: None.

Election of Chair and Vice-Chair

**5:15 p.m.**

**Nomination:** Member Ray Kopczynski nominated Member Marilyn Smith for the position of Chair. Smith accepted the nomination.

**Nomination:** Member Smith nominated Member Bessie Johnson for the position of Chair. Johnson accepted the nomination.

**Vote:** Hearing no further nominations Member Bessie Johnson was elected to the position of Chair 7-0.

**Nomination:** Member Alex Johnson II nominated Member Smith for the position of Vice-Chair. Smith accepted the nomination.

**Vote:** Hearing no other nominations, Member Smith was elected to the position of Vice-Chair 7-0.

Approval of Minutes

**5:16 p.m.**

Members Dick Olsen and Matilda Novak asked that the November 17, 2021, minutes reflect they were the two who voted no on the motion to move forward with the waterfront project. Novak also said she did not recall asking a question about seeing a parking contract

**Motion:** Member Kopczynski moved to approve the November 17, 2021, minutes with the changes proposed by Novak and Olsen. Member Johnson II seconded the motion, which passed 7-0.

Business from the Public

**5:21 p.m.**

Lise Grato, Executive Director Albany Downtown Association, spoke from the public about an Oregon Main Street Revitalization Grant opportunity of up to \$200,000 with a 30 percent local match.

Member Ratifications

**5:24 p.m.**

**Motion:** Member Olsen moved to approve all three applicants listed in the staff report for the CARA Advisory Board. Member Novak seconded the motion.

Johnson II said he is opposed to the appointment of Camron Settlemier since Settlemier has entered multiple lawsuits against the City.

**Withdrawn:** Member Olsen withdrew his motion and the second did not contest the withdrawal.

**Motion:** Member Smith moved to approve the appointments of Russ Allen and David Smith to the CARA Advisory Board. Member Kopczynski seconded the motion, which passed 7-0.

City Manager Peter Troedsson said staff will brief members before the next meeting on the objections raised by Johnson II.

Walker Macy Contract Amendment

**5:30 p.m.**

Seth Sherry introduced the agenda item and presented the information in the staff memo. Sherry addressed questions he received earlier in the day, speaking about why contracting with Walker Macy, LLC for this work is the logical choice rather than going out for an RFP. Johnson agreed with Sherry, noting the value of continuity.

Staff gave the following responses to questions from Olsen:

- Sherry said the proposed amendment is not for permitting services, but rather construction-oriented engineering services. It includes the cost for getting project bids together, ensuring bids are accurate, and would follow the projects through to construction.
- Sherry spoke about permitting services and the coordination that permitting services entails.
- City Engineer Staci Belcastro said City staff will be participating in the project and providing day-to-day inspection. Belcastro noted that Walker Macy comes with sub-consultants providing services during construction. Belcastro spoke about the similarity to the Fire and Police stations projects.
- Sherry spoke about the membership of the Technical Advisory Committee for this project, noting that it is made up of City staff.
- Sherry said the money included in the contract amendment would be for both Phase 1 and Phase 2 of the project. Sherry confirmed the plan is for Phase 1 to happen in the summer of 2022 and Phase 2 in the summer of 2023.
- Belcastro said there are eight railroad crossings that are going to be improved as a part of the project, but they will not have signals installed. Belcastro said the improvements will be at-grade crossing improvements and that there are three current crossings that will be abandoned as a part of the contract. Belcastro continued, saying abandoning the three crossing will not prevent owners access to property and are being closed for pedestrian safety concerns.

Olsen said he would like to keep CARA money local and noted he has a friend who would like to submit a bid for the work. Olsen said he would be in favor of putting out an RFQ or RFP for the work.

Smith said she believed putting out an RFP would be an unreasonable delay and a setback for the project.

Novak said she believes the funding should be kept local and that an RFP should be put out. Novak asked if it were legal to not go through the RFP process if CARA money is being used. Sherry responded, saying there has been every effort to involve local contractors. Sherry said this element of work was included in the RFP that Walker Macy won and that no local companies applied for that RFP because they did not have the capacity to take on such a large project.

Novak asked staff when the ARA will be presented with completed plans for the project. Sherry noted that design elements for the project have not changed for over a year and have included cost estimates, some tweaks, and occasional technical drawings. Sherry continued, saying the construction

documentation has reached 90 percent review, meaning the plan has not changed but the detail has increased and is almost ready for bidding.

Novak said she would like input concerning the construction documentation from those on the CARA Advisory Board who have technical expertise. Novak spoke about staff's ability to hire consultants and said the council should be able to hear, at no charge to the City, from its experts on advisory groups.

Johnson spoke about the city council and city manager form of government, noting the council's position as policy makers and stating the council needs to trust those they have hired to make these decisions. Troedsson also spoke about the role of the council and trusting staff, noting the council's role as policy makers of a multi-million-dollar organization and stating that councilors need not be familiar or comfortable with every level of detail since that is work that staff will do. Troedsson also said that councilors could individually reach out to trusted individuals with expertise to get their opinions on the project.

Novak said she would like to hear from the city council's experts on advisory groups and said that the process has at times made her uncomfortable and seemed like a lack of transparency.

Smith said she resents assertions that City staff is not accountable or prudent with City funds. Smith said she is unhappy there are repeated assertions the City is not operating transparently, saying the assertions are not true. Smith said the City is transparent, accountable, and well aware they are using public money and stated she does not take the use of such funds lightly, nor does she believe anyone else on the council or staff takes the responsibility lightly.

Olsen said the City is following the letter of the law but called the City's public outreach a sad situation. Olsen suggested the project go before the Planning Commission, saying that ARA and CARA are not part of the City. Olsen said he had never seen plans and that the agency should see plans before approving the project.

Sherry said that the ARA is an agency of the City and offered to provide members with the original incorporation documents. Sherry said the project is following the same permitting process that any private individual would need to and there would be no need for Planning Commission input.

**Motion:** Member Kopczynski moved to amend the Walker Macy contract as proposed in the staff report. Member Smith seconded the motion.

Novak asked if Walker Macy is going to keep coming back asking for money every few months. Sherry said that Walker Macy did not come back for more money for already contracted services. Sherry continued saying the contract amendment is for new, additional services related to construction and staff is not anticipating additional requests. Belcastro confirmed that it is not uncommon for a request to amend an existing contract for consultant services or construction contracts.

Member Stacey Bartholomew said she appreciated learning about the process and had no questions.

Olsen said he would like staff to provide a drawing for the plan to see the real estate and what the materials will be for the proposed street improvements. Johnson said she remembers seeing many drawings along the way. Johnson requested the schematic be sent back out to the agency.

Sherry said staff will send to agency members the drawings that were included in the September 15, 2021 meeting and noted that members and the public can visit [www.albanywaterfront.net](http://www.albanywaterfront.net) to view information about the project.

Kopczynski noted the waterfront website has all of the information that has been requested and Johnson II said he is taken aback by councilors assuming that they should know the nuts-and-bolts level of projects. Responding to a request from Novak, Johnson II said he would include ARA meetings in his list of upcoming meetings at the end of City Council meetings.

**Motion:** Member Olsen moved to table this until a time uncertain. Member Novak seconded the motion. The motion failed 2-5 with Members Novak and Olsen voting in support.

Novak said she would vote for the motion if there was assurance that Walker Macy would not return asking for more money. Johnson said there was no way to make that assurance.

**Vote:** The motion to amend the Walker Macy contract as proposed in the staff report passed 5-2 with Members Olsen and Novak voting in opposition.

Staff Updates

**6:24 p.m.**

Sherry said the Edgewater team had health complications and will instead present in February. Sherry said the presentation will be a review and celebration of work. Sherry also said staff should have a borrowing resolution prepared for the agency's February meeting and announced that the St. Francis and Old City Hall project now has signed contracts from the Lepman team.

Business from the Agency

**6:27 p.m.**

Olsen said he thinks it is a real shame that projects that would make downtown a wonderful place will not make it.

Smith said Albany will be hosting the December 9, 2022, meeting of the League of Oregon Cities (LOC) board in downtown Albany, bringing about 30 people from the board and LOC staff.

Novak said she would like the CARA Advisory Board to give input on the borrowing resolution. Johnson said she might like the CARA Advisory Board present for the Edgewater presentation and noted CARA is not responsible for financial matters. Sherry spoke about the nature of the borrowing resolution.

Next Meeting Date

The next regularly scheduled meeting is on Wednesday, February 16, 2022.

Adjournment

Hearing no further business, Chair Bessie Johnson adjourned the meeting at 6:33 p.m.

Respectfully submitted,

Reviewed by,

Gabriel Shepherd  
Recorder

Seth Sherry  
Economic Development Manager

*\*Documents discussed at the meeting that are not in the agenda packet are archived in the record. The documents are available by emailing [cityclerk@cityofalbany.net](mailto:cityclerk@cityofalbany.net).*



# MEMO

TO: Albany Revitalization Agency (ARA)

VIA: Seth Sherry, Economic Development Manger

FROM: Kinzi McIntosh, Central Services Support Specialist *KM*

DATE: January 21, 2022 for the February 16, 2022, ARA Advisory Board Meeting

**SUBJECT:** Appointments to the Central Albany Revitalization Area (CARA) Advisory Board

## Action Requested:

Agency ratification, by motion, of the following appointment and reappointments to the CARA Advisory Board (applications are attached in the order listed):

- David Smith, Ward 3 (Councilor Johnson's appointment to fill a vacant seat; term expires 12/31/22)  
*(Appointment appeared on previous meeting's memo; former incumbent's resignation had not yet been ratified)*
- Camron Settlemier, Ward 1 (Councilor Olsen's appointment to a new three-year term)

## Budget Impact:

None.

SD:km

Attachments 2



# Citizen Advisory Group Application

**Applying To** Central Albany Revitalization Area Advisory Board

**Received** January 3, 2022

**Name** DAVID (DAVE) SMITH

**In City Limits?** Yes (Ward 3)

**Are you currently employed outside the home?**

Retired

**List current or most recent occupation, business, trade, or profession:**

I retired from the University of Oregon in 2014 as Campus Energy Engineer (Sr. Facilities Engineer). I am a Registered Professional Engineer (P.E.) in Oregon (retired).

**Please summarize what qualifications and experience you have that would apply to this position:**

I have 40 plus years of professional experience in a variety of organizations and industries. My educational background includes BS degrees in Engineering Technology (Electrical/Electronic and Mechanical) and a BA degree in Business (Accounting). I am also a retired Professional Engineer (PE) in Oregon and Washington. I worked as an Accountant and Accounting Manager for more than ten years and as an Electrical/Mechanical Project Engineer, Maintenance Manager, and Facilities Construction Manager for nearly 30 years. I worked in the Aluminum Industry, Food Processing, Hospitals, and Higher Educational Institutions.

**List community/civic activities in which you are or have been active:**

AARP Tax Aide- I've volunteered as a tax preparer in Albany for four years and am currently working on certification to prepare federal and state income taxes for the 2021 Tax Year.

Cumberland Community Events Center-I volunteered as a demolition worker in preparation for the facility relocation during 2021 and also assisted the Project Manager/VP in construction administration and contractor coordination.

Albany Regional Museum - I volunteered in @ 2018 as a facilities maintenance worker and assisted the Executive Director in formatting and uploading documents to the ARM web site.

Musician with Albany musical ensembles - As a musician (violin and mandolin) with String Therapy and the Calapooia Celtic Connection musical ensembles, I've performed without compensation for public gatherings (Cumberland July 2019 Open house and Birthday Celebration 2021, Albany Senior Center Annual St. Patrick's Day luncheon, Albany Carnegie Library Dec 2018 Christmas program, 2018 Nativity Festival-Corvallis LDS church), Assisted Living/Rehab centers (Quail Run Mennonite Village, Timber View Care Center), and

Community Orchestras (Lebanon Community Orchestra, Albany String Orchestra).

**How many CARA Advisory Board meetings have you attended?**

None

**What is your understanding of the role of an advisory board member and what contributions do you hope to make to the CARA Advisory board?**

I've read the minutes of several CARA meetings and understand that the CAG advises the City council member on appropriate uses of urban renewal funds. I hope to be able to provide a open-minded, logical, economical, and practical approach to current and future CARA projects.

**Why is downtown Albany important to you?**

Albany's downtown is a unique collection of retail shops, restaurants, and service businesses. The downtown serves as an incubator and a long-term home for businesses that otherwise might not be able to survive in the large shopping malls. The Downtown district provides a relaxed and quaint shopping experience. The proximity to the Willamette River, the Carousel, Monteith Park, and other Albany attractions make it an enjoyable and historic place to visit and shop.

**Why do you feel that urban renewal is important to the community?**

The goal of urban renewal is to mitigate and eliminate the blight of undermaintained and abandoned areas of our cities and to make these areas attractive to visitors, residents, and businesses. This ties into an appreciation of our heritage and "where we came from" and "where we are going".

**Are there significant changes you would encourage for our community's urban renewal district?**

I have not studied the goals, projects (present and past) , and the outcomes of the urban renewal district so I do not feel that I can or should comment on any significant changes that may be necessary. If appointed, I hope to enter into and serve with an open mind.

**Have you reviewed the meeting schedule for this advisory board and can you commit to regular meeting attendance?**

Yes

**If there are currently no vacancies for this advisory board, would you like your application kept on file for the remainder of this recruitment period?**

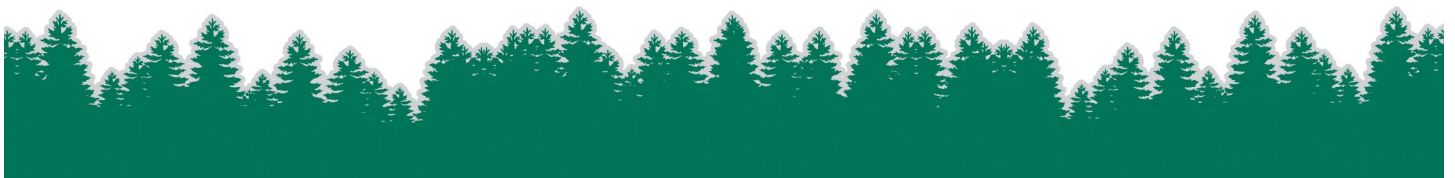
Yes

**How did you hear about this opportunity?**

Council Marilyn Smith recommendation.

**The City of Albany is currently conducting public meetings in a virtual only or hybrid format, usually via Zoom videoconferencing. Are you able to commit to attending virtual only or hybrid meetings using your own equipment and internet connection?**

Yes







# Citizen Advisory Group Application

**Applying To** Central Albany Revitalization Area Advisory Board

**Received** January 9, 2022

**Name** Camron Settlemier

**In City Limits?** Yes (Ward 1)

**Are you currently employed outside the home?** Yes (Matthews International)

**List current or most recent occupation, business, trade, or profession:**

Software Engineer - Test

**Please summarize what qualifications and experience you have that would apply to this position:**

Small Business Owner - Marcam Productions  
Budget Experience with Transit Lodging Tax Advisory Committee.  
Historic Preservation Experience with Albany Landmarks Commission  
Growing up, Father owned Settlemier Interiors downtown

**List community/civic activities in which you are or have been active:**

Past - City of Albany Landmarks Commission  
Past - City of Albany Transit Lodging Tax Advisory Committee  
Past - City of Woodburn Tourism Advisory Committee  
Past - Adair Rural Fire and Rescue  
Past - College Place Fire Department

Current - City of Albany Affordable Housing Task Force

**How many CARA Advisory Board meetings have you attended?**

4-6

**What is your understanding of the role of an advisory board member and what contributions do you hope to make to the CARA Advisory board?**

A CARA advisory board members approve plans and objectives for the downtown urban renewal district, both from the City, consultants, and business and home owners within the urban renewal boundaries. This approval is then finalized by the ARA, which is composed of the sitting council members.

**Why is downtown Albany important to you?**

My dad owned Settlemier Interiors downtown from the time I was born until the mid 90s. I saw the decline of the downtown core first hand as business moved to the mall or other locations. This was a very sad sight to see as the downtown core is the soul of Albany. I grew up here, and downtown will always have a special place in my heart.

**Why do you feel that urban renewal is important to the community?**

As stated in the previous question, downtown is the soul of Albany. There is a huge improvement in the vibe of downtown from when I left after graduating college and taking a job in the Portland area, to when I returned in 2008. Many of the buildings that had been covered with "cheese graters" since before I was born were historically restored to original beauty. And this is in large part because of CARA. The downtown area is something that everyone should take pride in. And over the long term, the revitalization of downtown will increase the tax base and long term economic viability of the city.

**Are there significant changes you would encourage for our community's urban renewal district?**

I encourage the consideration of small viable CARA projects.

**Have you reviewed the meeting schedule for this advisory board and can you commit to regular meeting attendance?**

Yes

**If there are currently no vacancies for this advisory board, would you like your application kept on file for the remainder of this recruitment period?**

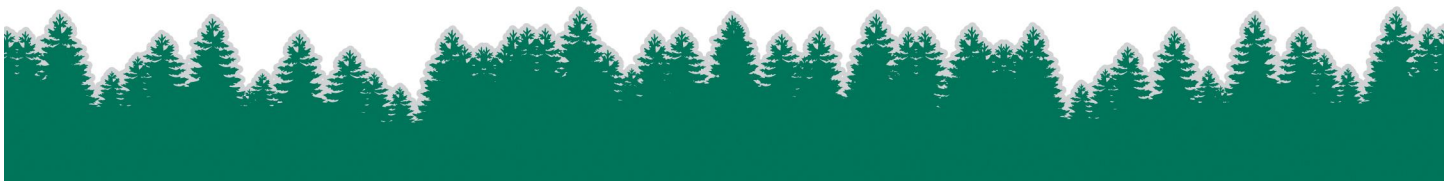
Yes

**How did you hear about this opportunity?**

Heard about it during conversations with Councilor Disk Olsen.

**The City of Albany is currently conducting public meetings in a virtual only or hybrid format, usually via Zoom videoconferencing. Are you able to commit to attending virtual only or hybrid meetings using your own equipment and internet connection?**

Yes





# MEMO

TO: Albany Revitalization Agency (ARA)

VIA: Seth Sherry, Economic Development Manger

FROM: Kinzi McIntosh, Central Services Support Specialist *KM*

DATE: January 21, 2022, for the February 16, 2022, ARA Advisory Board Meeting

**SUBJECT:** Resignation from the Central Albany Revitalization Area (CARA) Advisory Board  
Relates to Strategic Plan theme: An Effective Government

### Action Requested:

Agency acceptance of the following resignation (notice attached):

- Lelonni Leeper (position appointed by Bessie Johnson, Ward 3; current term expires 12/31/22)

### Discussion:

Lelonni Leeper has notified the City of her resignation from the Central Albany Revitalization Area Advisory Board. Her notice is attached for reference. Councilor Johnson's appointment to fill this vacancy has been submitted as part of a separate memo for this city council meeting.

### Budget Impact:

None.

SD:km  
Attachment 1

## McIntosh, Kinzi

---

**Subject:** FW: resignation from board

---

**From:** Leilani Leeper [REDACTED]  
**Sent:** Wednesday, December 22, 2021 1:03:14 PM  
**To:** Dykast, Sophie <[Sophie.Dykast@cityofalbany.net](mailto:Sophie.Dykast@cityofalbany.net)>  
**Subject:** resignation from board

[External Email Notice: Avoid unknown attachments or links, especially from unexpected mail.]

Good Afternoon Sophie:

I must resign as my husband is being transferred to Missoula.  
Merry Christmas to you & yours!

Off to new adventures!  
LLeeper ~*Amor Vincit Omnis*~

---


DISCLAIMER: This email may be considered a public record of the City of Albany and subject to the State of Oregon Retention Schedule. This email also may be subject to public disclosure under the Oregon Public Records Law. This email, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you have received this communication in error, please notify the sender immediately and destroy all copies of the original message.



# MEMO

TO: Albany Revitalization Agency (ARA)

FROM: Seth Sherry, Economic Development Manager

VIA: Peter Troedsson, City Manager   
Jeanna Yaeger, Finance Director

DATE: February 8, 2022, for the February 16, 2022, ARA Meeting

**SUBJECT:** ARA Master Borrowing Resolution.

**Action Requested:**

Adopt a resolution authorizing indebtedness for projects described in the Central Albany Revitalization Area urban renewal plan.

**Discussion:**

One of the key Waterfront Project elements that staff has been pursuing is financing. For several budget cycles, the ARA has accumulated cash reserves sufficient to borrow necessary funds to construct the Waterfront Project. A strong cash position coupled with consistent revenue projections will allow the ARA to borrow money at competitive interest rates to construct the long-awaited Waterfront Project and realize its benefits for the community.

The attached borrowing resolution outlines the need and reasons for its authorization. During the forthcoming February 16 meeting, our financial advisory on this project, Carol Samuels of Piper Sandler & Co., will be on hand to answer questions and provide additional context. However, prior to the next ARA meeting, please feel free to reach out to staff directly with questions.

**Budget Impact:**

None.

SS:sd:jv  
Attachment: Bond Sale Resolution





## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING INDEBTEDNESS FOR PROJECTS DESCRIBED IN THE CENTRAL ALBANY REVITALIZATION AREA URBAN RENEWAL PLAN.

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

WHEREAS, the Agency desires to borrow up to \$16,900,000 for the Area to finance projects described in the Central Albany Revitalization Area Urban Renewal Plan (the “Projects”); and

WHEREAS, the City of Albany, Oregon (the “City”) has approved a maximum indebtedness for the Area of \$56,000,000, and the Agency has sufficient maximum indebtedness remaining for the Area and is willing to use all or a portion of this remaining maximum indebtedness capacity to finance the Projects; and

WHEREAS, prior to the issuance of the borrowings described in this resolution, the Agency desires to incur certain capital expenditures with respect to the Projects from available moneys of the Agency and wishes to declare its official intent to reimburse itself for any such expenditures from the proceeds of borrowings authorized by this resolution.

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

SECTION 1: The Central Albany Revitalization Area (CARA) Borrowing.

Authorization. The Agency hereby authorizes the sale and delivery of the borrowing (the “CARA Borrowing”) for the Area in an aggregate principal amount not to exceed \$16,900,000 pursuant to the applicable provisions of ORS Chapters 287A and 457. The proceeds of the CARA Borrowing shall be used to finance the Projects, to fund debt service reserves, if necessary, and to pay costs of issuing the CARA Borrowing.

Delegation. The City Manager, the Finance Director of the City, or the designee of either official (each of whom is referred to herein as an “Agency Official”), is hereby authorized, on behalf of the Agency and without further action by the Agency Board, to:

Negotiate, execute, and deliver the CARA Borrowing. Subject to the limitations of this resolution, the CARA Borrowing may be in such form and contain such terms as the Agency Official may approve, and the Agency Official may determine whether to finance the Projects under one or multiple series.

Determine the final principal amount, interest rates, payment dates, prepayment rights, and all other terms of the CARA Borrowing.

Negotiate, execute, and deliver one or more bonds or notes to evidence amounts due under the CARA Borrowing.

Select one or more commercial banks or lenders with which to negotiate, execute, and deliver the CARA Borrowing.

Prepare and execute a master borrowing declaration that describes the terms under which each series of the CARA Borrowing and future borrowings on parity with the CARA Borrowing (“Parity Borrowings”) may be issued, including the covenants that the Agency makes with the owners of the Parity Borrowings, which include covenants that (i) limit the Agency’s ability to remove property from the Area; (ii) require that the Agency collect certain minimum levels of tax increment revenues; and (iii) provide that the Agency will not enter into any borrowings secured by tax increment revenues unless the Agency meets or can project to meet certain collection tests. The master borrowing declaration shall be in substantially the form attached hereto as Exhibit A but with such changes as may be approved by an Agency Official.

Enter into additional covenants for the benefit of the purchasers of each series of the CARA Borrowing that the Agency Official determines are desirable to obtain more favorable terms for the CARA Borrowing.

Issue the CARA Borrowings with interest that is taxable or tax-exempt under the Code.

Designate one or more series of the CARA Borrowing as a “qualified tax-exempt obligations” under Section 265(b)(3) of the Code, if applicable.

Pledge the tax increment revenues of the Area and the proceeds of the CARA Borrowing to secure any series of the CARA Borrowing.

Use legally available funds, including proceeds of the CARA Borrowing, to fund a debt service reserve for any series of the CARA Borrowing.

Use cash reserves to make final payment on the Agency’s CARA Urban Renewal Revenue Bonds, Series 2007A (Tax-Exempt) (the “2007 Bonds”) in order to close the lien from the 2007A Bonds.

Seek approval from parties and amend documents related to outstanding liens on tax increment revenues of the Area to seek subordination or consent to issue the CARA Borrowings on parity with outstanding transaction.

Execute any documents and take any other action which an Agency Official finds is desirable to carry out this Resolution.

SECTION 2: Declaration of Intent to Reimburse. The Agency hereby declares its official intent to reimburse itself with the proceeds of the CARA Borrowing for any expenditures on the Projects paid prior to the issuance of the CARA Borrowing. This resolution is adopted as official action of the Agency in order to comply with United States Treasury Regulation 1.150-2.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This 16th day of February 2022.

---

ARA Chair

ATTEST:

---

City Clerk



# **MASTER BORROWING DECLARATION**

**Albany Revitalization Agency, Oregon**

## **Urban Renewal and Redevelopment Bond (Central Albany Revitalization Area) Series 2022**

**Executed by the Agency Official of the Albany Revitalization Agency, Oregon**

**As of [\_\_\_\_], 2022**



**TABLE OF CONTENTS**

**SECTION 1. FINDINGS.....1**

**SECTION 2. DEFINITIONS.....1**

**SECTION 3. SECURITY FOR SENIOR LIEN BORROWINGS.....6**

**SECTION 4. THE TAX INCREMENT ACCOUNT.....7**

**SECTION 5. PARITY SENIOR LIEN INDEBTEDNESS.....10**

**SECTION 6. SUBORDINATE LIEN BORROWINGS.....12**

**SECTION 7. GENERAL COVENANTS.....12**

**SECTION 8. AMENDMENT OF DECLARATION.....13**

**SECTION 9. DEFAULT AND REMEDIES.....14**

**SECTION 10. OWNERSHIP OF SENIOR LIEN BORROWINGS.....15**

**SECTION 11. DEFEASANCE.....15**

**SECTION 12. RULES OF CONSTRUCTION.....15**

**SECTION 13. THE INITIAL BOND AS PARITY SENIOR LIEN INDEBTEDNESS.....15**

**SECTION 14. THE INITIAL BOND.....16**

Appendix A Form of Bond

This table of contents is not a part of the bond declaration but is provided for reference only.

# MASTER BORROWING DECLARATION

THIS MASTER BORROWING DECLARATION is executed as of [\_\_\_\_], 2022, by the “Agency Official” of the Albany Revitlization Agency, Oregon pursuant to the authority granted to the Agency Official by Agency Resolution No. [\_\_\_\_] (the “Resolution”) to establish the terms under which the Agency’s Urban Renewal and Redevelopment Bond (Central Albany Revitalization Area), Series 2022 (the “Initial Bond”), and future Parity Senior Lien Indebtedness may be issued.

## Section 1. Findings.

The Agency finds:

1.1 The Agency is authorized to issue borrowings which are payable from the tax increment revenues of the Central Albany Revitalization Area.

1.2 [Prior to issuance of the Initial Bond, the Agency has one borrowing, an IGA related to the Special Public Works Fund Development Project Financing Contract, No. L17004 dated as of November 2016 (the “2016 IFA Loan”), between the City and the Oregon Infrastructure Finance Authority (“IFA”), outstanding in the approximate amount of \$6,320,833, that is secured by a senior lien on the tax increment revenues of the Central Albany Revitalization Area. IFA and the City have agreed that the IGA related to the IFA Loan will constitute a Bond and therefore the Initial Bond will be secured on parity with the IGA related to the IFA Loan.]

1.3 The Agency now desires to issue additional borrowings that have a senior lien on the tax increment revenues from the Central Albany Revitalization Area.

1.4 The Agency executes this Master Borrowing Declaration to establish the terms under which the Initial Bond is issued, the security for the IGA related to the IFA Loan, the Initial Bond and Parity Senior Lien Indebtedness, and the terms under which any Parity Senior Lien Indebtedness may be issued.

## Section 2. Definitions.

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

“Agency” means the Albany Revitalization Agency, Oregon.

“Agency Official” means the the City Manager, the Finance Director of the City or the designee of either official authorized to act on behalf of the Agency under the Resolution

“Annual Debt Service” means the amount required to pay principal and interest on Outstanding Senior Lien Borrowings in a Fiscal Year, calculated as follows:

(i) Interest which is to be paid from proceeds of Senior Lien Borrowings shall be subtracted.

(ii) Senior Lien Borrowings which are subject to scheduled, noncontingent redemption or

tender shall be deemed to mature on the dates and in the amounts which are subject to mandatory redemption or tender, and only the amount scheduled to be Outstanding on the final maturity date shall be treated as maturing on that date.

(iii) Senior Lien Borrowings which are subject to contingent redemption or tender shall be treated as maturing on their stated maturity dates.

(iv) If the Agency issues Senior Lien Borrowings that qualify for federal interest subsidies, such as the subsidies for “Build America Bonds,” or similar obligations, and commits to use the subsidies to pay those Senior Lien Borrowings, then the subsidies that the Agency actually receives, or reasonably expects to receive, may be deducted from Annual Debt Service for purposes of making the calculations and determining compliance with the tests for issuing Additional Parity Senior Lien Indebtedness, meeting a Reserve Funding Requirement, releasing property and any other tests affected by “Annual Debt Service.”

(v) Each Balloon Payment shall be assumed to be paid according to its Estimated Debt Service Requirement.

“Area” means the Central Albany Revitalization Area which is described in the Plan, and all additions thereto.

“Balloon Payment” means any principal payment for a Series of Senior Lien Borrowings, which comprises more than twenty-five percent (25%) of the original principal amount of that Series, but only if that principal payment is designated as a Balloon Payment in the closing documents for the Series.

“Base Period” means any 12 consecutive months from the 24 full months preceding the issuance of a series of Parity Senior Lien Indebtedness.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“City” means the City of Albany, Oregon, a duly organized and existing city under and by virtue of the laws of the State of Oregon.

“Closing” means the date on which a Series of Senior Lien Borrowings is delivered in exchange for payment.

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

“Debt Service” means Senior Lien Borrowing principal, interest and any redemption premium.

“Divide the Taxes Revenues” means the taxes which are divided based on the increase in value of property in the Area and which are payable to the Agency under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457, as those provisions exist on the date of this Master Borrowing Declaration. Divide the Taxes Revenues includes the impact of “sharing” as required by ORS Chapter 457.

“Estimated Debt Service Requirement” is calculated as provided in Section 5.4.

“Event of Default” refers to an Event of Default listed in Section 9.1 of this Master Borrowing Declaration.

[“First Reserve Funding Requirement” means the lesser of Maximum Annual Debt Service on all Outstanding Senior Lien Borrowings that are secured by the First Reserve Subaccount, or the amount described in the next sentence. If, at the time of issuance of a Series of Senior Lien Borrowing that is secured by the First Reserve Subaccount, the amounts required to be added to the First Reserve Subaccount to make the balance in that subaccount equal to the Maximum Annual Debt Service on all Senior Lien Borrowings that are secured by the First Reserve Subaccount exceeds the Tax Maximum calculated with respect to that Series, then the First Reserve Funding Requirement means the First Reserve Funding Requirement in effect immediately before the issuance of that Series (calculated as if that Series were not Outstanding), plus the tax Maximum for that Series.]

[“First Reserve Subaccount” means the subaccount of that name in the Senior Lien Reserve Account described in Section 4.3.]

[“First Reserve Subaccount Valuation Date” means the first Business Day of each Fiscal Year and the Business Day following any day on which a withdrawal is made from the Senior Lien Reserve Account, and each Closing date for a Series of Senior Lien Borrowings that is secured by the First Reserve Subaccount.]

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon law.

“Fund” or “Account” refers to any fund, account, or other accounting concept that permits the Agency to account accurately for amounts that are credited to it under this Master Borrowing Declaration. A “Fund” in this Master Borrowing Declaration does not need to appear as a “fund” in the Agency’s budget.

“Government Obligations” means direct noncallable obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Incremental Assessed Value” means the difference between the assessed value of property in the Area for a Fiscal Year and the assessed value of property in the Area which is specified in the certified statement for the Area which is filed with the assessor pursuant to ORS 457.430.

“Initial Bond Lender” means [Lender], or its successor, as owner of the Initial Bond.

“Initial Bond” means the Agency’s Urban Renewal and Redevelopment Bond (Central Albany Revitalization Area), Series 2022 which is a Senior Lien Borrowing and is described in Section 14 of this Master Borrowing Declaration.

“Master Borrowing Declaration” means this Master Borrowing Declaration establishing the terms of the Initial Bond, the security for the Initial Bond, IGA related to the 2016 IFA Loan, and Parity Senior Lien Indebtedness, and prescribing the conditions under which the Agency

may issue Parity Senior Lien Indebtedness, as it may be amended from time to time pursuant to Section 8.

“Maximum Annual Debt Service” means the greatest amount of Annual Debt Service, calculated on all Senior Lien Borrowings which are Outstanding on the date of calculation, that is due in any Fiscal Year, beginning with the Fiscal Year for which the calculation is made, and ending with the last Fiscal Year in which Outstanding Senior Lien Borrowings are scheduled to be paid.

“Maximum Tax Increment Revenues” means the maximum amount of Tax Increment Revenues that the Agency is permitted to collect for a Fiscal Year.

“Outstanding” refers to all Senior Lien Borrowings except those which have been paid, canceled, or defeased, and, for Senior Lien Borrowings which must be presented to be paid, Senior Lien Borrowings which have matured but have not been presented for payment, but for the payment of which adequate money has been transferred to their Paying Agent.

“Owner” means the Initial Bond Lender as owner of the Initial Bond, the City for the IGA related to the 2016 IFA Loan, and the registered owner of any Parity Senior Lien Indebtedness.

“Parity Senior Lien Indebtedness” means obligations issued in compliance with Section 5 of this Master Borrowing Declaration which are secured by a lien on, and pledge of, the Security which is on a parity with the lien on, and pledge of, the Security which secures the IGA related to the 2016 IFA Loan and the Initial Bond.

“Paying Agent” means the paying agent for any Senior Lien Borrowings issued in registered form.

“Payment Date” means a date on which Senior Lien Borrowing principal or interest is due, whether at maturity or prior redemption.

“Permitted Investments” means any investments in which the Agency is authorized to invest surplus funds under the laws of the State of Oregon.

“Plan” means the Agency’s Urban Renewal Plan for the Central Albany Revitalization Area originally approved by Ordinance No. 5496 on August 8, 2001, as it has been and may in the future be amended pursuant to its terms.

“Qualified Consultant” means an independent engineer, an independent auditor, an independent municipal advisor, or similar independent professional consultant of recognized standing and having experience and expertise in the area for which such person or firm is retained by the Agency for purposes of performing activities specified in this Master Borrowing Declaration.

“Reserve Equivalent” means any arrangement in which the Agency pays a fee in exchange for an agreement of a third party to advance money to the Agency in the future that the Agency will use in lieu of using cash or Permitted Investments credited to a subaccount in the Senior Lien Reserve Account. “Reserve Equivalent” does not include guaranteed investment contracts, master repurchase agreements and similar Permitted Investments.

“Reserve Funding Requirement” means a set of rules for funding a subaccount in the Senior Lien Reserve Account. Each Reserve Funding Requirement shall indicate the amount that is required to be credited to the subaccount, the dates by which that amount must be credited to the subaccount, and the requirements for restoring amounts to the subaccount if amounts are withdrawn to pay Borrowings that are secured by the subaccount.

“Security” means the Tax Increment Revenues and any additional amounts credited to the Senior Lien Account. Security also includes, for each Series of Senior Lien Borrowings, the unspent proceeds of that Series and amounts credited to any subaccount in the Senior Lien Reserve Account pledged to that Series of Senior Lien Borrowings.

“Senior Lien Account” means the fund of that name described in Section 4. The Senior Lien Account is a part of the “Tax Increment Account.”

“Senior Lien Borrowings” means the IGA related to the 2016 IFA Loan, the Initial Bond and any Parity Senior Lien Indebtedness.

“Senior Lien Debt Service Account” means the account of that name in the Senior Lien Account described in Section 4.2.

“Senior Lien Reserve Account” means the account of that name in the Senior Lien Account described in Section 4.3.

“Series” or “Series of Senior Lien Borrowings” refers to all Senior Lien Borrowings which are issued at one time, pursuant to a single resolution, ordinance, declaration or other authorizing document of the issuer, regardless of variations in maturity, interest rate or other provisions, unless the documents authorizing the Senior Lien Borrowings declares them to be part of a separate Series.

“Subordinate Lien Account” means the account of that name in the Tax Increment Account established in Section 4.5.

“Subordinate Lien Borrowings” means obligations that are issued in compliance with Section 6 of this Master Borrowing Declaration and that are not payable from or secured by any Tax Increment Revenues except Tax Increment Revenues that are available to be deposited in the Subordinate Lien Account.

“Supplemental Declaration” means any declaration amending or supplementing this Master Borrowing Declaration, which is adopted in accordance with Section 8.

“Tax Increment Account” means the special fund established under ORS 457.440(6)(b) to hold the Tax Increment Revenues. The Tax Increment Account may consist of one or more funds and accounts for budget purposes.

“Tax Increment Revenues” means the Divide the Taxes Revenues and all earnings on the Divide the Taxes Revenues prior to their expenditure.

“Tax Maximum” means, for any Series of Senior Lien Borrowings, the lesser of: the Maximum Annual Debt Service on such Series; 125% of average Annual Debt Service on such Series during all Fiscal Years in which such Series will be Outstanding, calculated as of the date of issuance of such Series; or, ten percent of the proceeds of such Series, as “proceeds” is defined for purposes of Section 148(d) of the Code.

### **Section 3. Security for Senior Lien Borrowings.**

3.1 The Senior Lien Borrowings shall not be general obligations of the Agency or the City. The Agency shall be obligated to pay the Senior Lien Borrowings solely from the Security as provided in this Master Borrowing Declaration.

3.2 The Agency hereby irrevocably pledges the Security to pay the Senior Lien Borrowings. Pursuant to ORS 287A.310, this pledge shall be valid and binding from the time of execution of this Master Borrowing Declaration. The amounts so pledged and hereafter received by the Agency shall immediately be subject to the lien of this pledge without any physical delivery or further act, and the lien of this pledge shall be superior to all other claims and liens to the fullest extent permitted by ORS 287A.310.

3.3 Except as provided in the following sentence, so long as any Senior Lien Borrowings are Outstanding, each Fiscal Year the Agency shall collect the full amount of the Divide the Taxes Revenues for that Fiscal Year. The Agency may collect less than the full amount of the Divide the Taxes Revenues in a Fiscal Year if the Agency provides instructions to the Assessor that the Agency reasonably projects will result in collecting an amount of Divide the Taxes Revenues in the Fiscal Year equaling at least one hundred twenty five percent (125%) of the Annual Debt Service that is scheduled to be paid during that Fiscal Year.

3.4 The provisions of this Master Borrowing Declaration shall constitute a contract with the Owners, and shall be enforceable by them.

3.5 The Agency acknowledges that the covenants contained in Section 3.3 and the collection each year of the amounts described in that Section, are required to obtain favorable terms for the Initial Bond and to protect the rights of the Owners, and that the Owners will rely on that covenant. The Agency enters into that covenant pursuant to ORS 287A.325(4), which authorizes the Agency to enter into covenants to maintain levels of pledged revenues at least equal to operations and maintenance expenses of the system that produces the pledged revenues, plus debt service on all borrowings, plus an additional amount that is reasonably required to obtain favorable terms for the borrowing. The Area and the Plan are the system which produces the Tax Increment Revenues. The system does not have operations and maintenance expenses.

3.6 If a Reserve Equivalent is permitted to fund a subaccount in the Senior Lien Reserve Account, the Agency may pledge the Security available for transfer to that subaccount of the Senior Lien Reserve Account to pay amounts due under any Reserve Equivalent securing that subaccount.

#### **Section 4. The Tax Increment Account.**

The Agency has previously established the Tax Increment Account. The Tax Increment Account shall contain the following funds: the Senior Lien Account and the Subordinate Lien Account. The Senior Lien Account shall contain the Senior Lien Debt Service Account and the Senior Lien Reserve Account.

4.1 Beginning with the closing of the Initial Bond and continuing until all Senior Lien Borrowings are paid or defeased, the Agency shall deposit all Tax Increment Revenues in the Tax Increment Account, and shall credit each deposit to the following accounts within the Tax Increment Account in the following order of priority:

- (A) To the Senior Lien Debt Service Account, until the Senior Lien Debt Service Account contains an amount sufficient to pay the Annual Debt Service for that Fiscal Year;
- (B) To the subaccounts in the Senior Lien Reserve Account as provided in Section 4.3, and in any documents authorizing a series of Parity Senior Lien Indebtedness that is secured by a subaccount in the Senior Lien Reserve Account in connection with Parity Senior Lien Indebtedness, pro rata if the Tax Increment Revenues available for deposit are not sufficient to make all required deposits to those subaccounts; and,
- (C) To the Subordinate Lien Account, any amounts which remain after the foregoing deposits have been made.

4.2 The Senior Lien Debt Service Account.

- (A) Money in the Senior Lien Debt Service Account shall be used only to pay Senior Lien Borrowing principal, interest and premium.
- (B) Amounts credited to the Senior Lien Debt Service Account may be invested in Permitted Investments which mature no later than the payment dates to which funds in the Senior Lien Debt Service Account are attributable. Earnings shall be credited as provided in Section 4.6.
- (C) Five (5) days before any payment of principal, premium or interest on the Senior Lien Borrowings is due, if the balance in the Senior Lien Debt Service Account is less than the amount due, the Agency shall credit an amount equal to the deficiency from Tax Increment Revenues in the Subordinate Lien Account.
- (D) If the balance in the Senior Lien Debt Service Account after the transfer described in Section 4.2(C) is not sufficient to pay all Senior Lien Borrowings, the Agency shall allocate the balance among outstanding Series of Senior Lien Borrowings pro rata based on the debt service that is next due on each Series and calculate the remaining deficiency for each Series. If any Senior Lien Borrowings are secured by a subaccount in the Senior Lien Reserve Account, the Agency shall transfer the remaining deficiency from that subaccount to the Senior Lien Debt Service Account and apply it solely to pay Senior Lien Borrowings that are secured by that subaccount.



#### 4.3 Senior Lien Reserve Account.

- (A) The Agency shall create the Senior Lien Reserve Account, and may create subaccounts in that account to secure Senior Lien Borrowings; however, the Agency is not obligated to create any subaccounts in the Senior Lien Reserve Account, and is not obligated to secure any Series of Senior Lien Borrowings with a subaccount in the Senior Lien Reserve Account. When each subaccount is created, the Agency shall determine whether the subaccount will secure one or more Series of Senior Lien Borrowings. If the Agency creates a subaccount in the Senior Lien Reserve Account, the Agency shall, before it issues the first Series of Senior Lien Borrowings that is secured by that subaccount, a) establish the Reserve Funding Requirement, withdrawal procedures, replenishment requirements, permitted investments, valuation provisions, and other terms and conditions for that subaccount; b) pledge amounts credited to that subaccount to pay the Senior Lien Borrowings that are secured by that subaccount; and c) determine if the Reserve Funding Requirement for that subaccount may be funded with Reserve Equivalents and the requirements for those Reserve Equivalents, and the valuation and replenishment provisions that apply to that subaccount.
- (B) The Agency shall not create any subaccounts in the Senior Lien Reserve Account for any purpose except securing Senior Lien Borrowings in accordance with this Master Borrowing Declaration.

#### 4.4 [The First Reserve Subaccount and the First Reserve Subaccount Funding Requirement].

- (A) The First Reserve Subaccount is hereby created in the Senior Lien Reserve Account. The First Reserve Subaccount shall secure the Initial Bond and any Parity Senior Lien Indebtedness the Agency subsequently elects to secure with the First Reserve Subaccount. Except as specifically provided in this Section 4.4, amounts credited to the First Reserve Subaccount shall be used only to pay principal, interest and premium on the Initial Bond and any other Senior Lien Borrowings that are secured by the First Reserve Subaccount, and only if amounts in the Senior Lien Debt Service Account and the Subordinate Lien Account are not sufficient to make those payments. The Agency hereby irrevocably pledges the amounts that are credited to the First Reserve Subaccount to pay the Initial Bond. Pursuant to ORS 287A.310, this pledge shall be valid and binding from the Closing date of the Initial Bond. The amounts so pledged and hereafter received by the Agency shall immediately be subject to the lien of this pledge without any physical delivery or further act, and the lien of this pledge shall be superior to all other claims and liens whatsoever.
- (B) At Closing of the Initial Bond and any Series of Senior Lien Borrowings that the Agency elects to secure with the First Reserve Subaccount, the Agency shall deposit into the First Reserve Subaccount an amount sufficient to make the balance in the First Reserve Subaccount equal to the First Reserve Subaccount Funding Requirement. The deposit may be made from amounts available in the Subordinate Lien Account, from proceeds of the Series, or from other amounts legally available to the Agency.

- (C) If, on any Payment Date after the transfer described in Section 4.2(C) of the Master Declaration, the amounts credited to the Senior Lien Debt Service Account are insufficient to pay all the principal of, premium (if any) and interest due on that payment date on the Initial Bond and any other Series of Senior Lien Borrowings that the Agency has subsequently elected to secure with the First Reserve Subaccount, the Agency shall transfer an amount equal to the deficiency from the First Reserve Subaccount to the Senior Lien Debt Service Account and apply the amount so transferred solely to pay the Senior Lien Borrowings that are secured by the First Reserve Subaccount.
- (D) The Agency covenants to maintain a balance in the First Reserve Subaccount that is at least equal to the First Reserve Subaccount Funding Requirement, but solely from deposits of Tax Increment Revenues pursuant to Section 4.1(B) and Closing deposits pursuant to Section 4.4(B). The Agency shall value the amounts in the First Reserve Subaccount on each First Reserve Subaccount Valuation Date.
- (E) Replenishment of First Reserve Subaccount.
  - (1) If the balance in the First Reserve Subaccount on a First Reserve Subaccount Valuation Date is less than the First Reserve Subaccount Funding Requirement the Agency shall begin making transfers of Tax Increment Revenues to the First Reserve Subaccount in accordance with Section 4.1(B).
  - (2) Transfers under 4.1(B) shall commence immediately following each First Reserve Subaccount Valuation Date on which the balance in the First Reserve Subaccount is less than the First Reserve Subaccount Funding Requirement, and shall continue until the balance in the First Reserve Subaccount is equal to the First Reserve Subaccount Funding Requirement.
- (F) If the balance in the First Reserve Subaccount on a First Reserve Subaccount Valuation Date is greater than the First Reserve Subaccount Funding Requirement, the Agency may transfer the excess to the Senior Lien Debt Service Account.
- (G) Moneys in the First Reserve Subaccount may be invested in accordance with the Agency's investment policy and only in debt securities that mature within five years, or in the Oregon Short Term Fund, but in no case longer than the final maturity on the Senior Lien Borrowings to which the First Reserve Subaccount is pledged. Earnings shall be credited as provided in Section 4.6.
- (H) Demand deposits, deposits in the Oregon Short Term Fund and other investments which mature in five years or less after the First Reserve Subaccount Valuation Date shall be valued at their face amount, plus accrued interest.
- (I) Amounts in the First Reserve Subaccount may be applied to the final payment (whether at maturity or by prior redemption) of any Series of Outstanding Senior Lien Borrowings that are secured by the First Reserve Subaccount, but only if the balance remaining in the First Reserve Subaccount after the transfer is at least equal to the First Reserve Subaccount Funding Requirement for the Senior Lien Borrowings that are secured by the First Reserve Subaccount and which remain Outstanding after that final payment.

Amounts so applied shall be credited against the amounts the Agency is required to transfer into the Senior Lien Debt Service Account under this Master Borrowing Declaration.

4.5 Amounts in the First Reserve Subaccount may be transferred into escrow to defease Senior Lien Borrowings that are secured by the First Reserve Subaccount, but only if the balance remaining in the First Reserve Subaccount after the transfer is at least equal to the First Reserve Subaccount Funding Requirement for the Senior Lien Borrowings that are secured by the First Reserve Subaccount and which remain Outstanding after the defeasance. Tax Increment Revenues in the Subordinate Lien Account may be used at any time for any legal purpose permitted under Chapter 457 of the Oregon Revised Statutes. The Agency may create subaccounts in the Subordinate Lien Account.

4.6 Earnings. Earnings on all funds in the Senior Lien Debt Service Account shall be credited to that account. Earnings on each subaccount in the Senior Lien Reserve Account shall be credited to that subaccount whenever the balance in that subaccount is less than that subaccount's Reserve Funding Requirement. If earnings would cause the balance in a subaccount to exceed its Reserve Funding Requirement the earnings shall be credited to the Senior Lien Debt Service Account and allocated to pay the Parity Senior Lien Indebtedness that is secured by that subaccount.

## **Section 5. Parity Senior Lien Indebtedness.**

5.1 Except as provided in Section 5.2, the Agency may issue Parity Senior Lien Indebtedness only if all of the following conditions are met:

- (A) As of the date of Closing of the Parity Senior Lien Indebtedness, no Event of Default under this Master Borrowing Declaration or any Supplemental Declaration has occurred and is continuing.
- (B) As of the date of Closing of the Parity Senior Lien Indebtedness, there is no deficiency in the Senior Lien Debt Service Account, and all required deposits to all subaccounts in the Senior Lien Reserve Account have been made.
- (C) On or before the date of Closing of the Parity Senior Lien Indebtedness the Agency provides either:
  - (1) a certificate of the Agency Official stating that the Maximum Tax Increment Revenues for the Base Period at least equaled [one hundred twenty-five percent (125.00%)] of the average Annual Debt Service that is scheduled to be paid during each Fiscal Year that the Parity Senior Lien Indebtedness will be Outstanding, calculated with the proposed Parity Senior Lien Indebtedness treated as Outstanding; or,
  - (2) a report from an Qualified Consultant projecting that the Maximum Tax Increment Revenues in each of the current Fiscal Year and the five subsequent Fiscal Years will be at least [one hundred thirty-five percent (135.00%)] of the average Annual Debt Service that is scheduled to be paid during each Fiscal

Year that the Parity Senior Indebtedness will be Outstanding, calculated with the proposed Parity Senior Lien Indebtedness treated as Outstanding.

5.2 The Agency may issue Parity Senior Lien Indebtedness to refund Outstanding Senior Lien Borrowings without complying with Section 5.1 if:

- (A) the refunded Senior Lien Borrowings are paid or defeased on the date of delivery of the refunding Parity Senior Lien Indebtedness; and,
- (B) the Annual Debt Service on the refunding Parity Senior Lien Indebtedness does not exceed the Annual Debt Service on the refunded Senior Lien Borrowings in any Fiscal Year by more than \$5,000.

In addition to allowing refunding of maturities of Outstanding Senior Lien Borrowings which are not Balloon Payments, this Section 5.2 is intended to allow Outstanding Senior Lien Borrowings which comprise a Balloon Payment to be refunded with Parity Senior Lien Indebtedness when the Annual Debt Service on the refunding Parity Senior Lien Indebtedness does not exceed the Estimated Debt Service Requirement for the refunded Outstanding Senior Lien Borrowings in any Fiscal Year by more than \$5,000.

5.3 All Parity Senior Lien Indebtedness issued in accordance with this Section 5 shall have a lien on the Security which is equal to the lien of all other Outstanding Senior Lien Borrowings.

5.4 The Estimated Debt Service Requirement for Balloon Payments shall be calculated in accordance with this Section 5.4.

- (A) Whenever a Balloon Payment is part of a new issue of Series of Parity Senior Lien Indebtedness, the Agency Official shall prepare a schedule of principal and interest payments for a hypothetical Series of Parity Senior Lien Indebtedness that refunds each Outstanding Balloon Payment in accordance with this Section 5.4. The Agency Official shall prepare that schedule as of the date the Parity Senior Lien Indebtedness is sold, and that schedule shall be used to determine compliance with the tests for Parity Senior Lien Indebtedness, the Senior Lien Reserve Account, the release covenant as described in Section 7.4 and any other applicable test in this Master Borrowing Declaration.
- (B) Each hypothetical Series of refunding Parity Senior Lien Indebtedness shall be assumed to be paid in equal annual installments of principal and interest sufficient to amortize the principal amount of the Balloon Payment over the term specified in the closing documents for the Balloon Payment or, if those documents do not specify a term, for the term selected by the Agency Official. However, the Agency Official shall not select a term that exceeds the lesser of: a) the difference between the date the Balloon Payment is due and 20 years from the date on which the Series of Parity Senior Lien Indebtedness containing the Balloon Payment was issued, or b) the Agency's estimate of the remaining weighted average useful life (expressed in years and rounded to the next highest integer) of the assets which are financed with the Balloon Payment. The first annual installment shall be assumed to be due on the date the Balloon Payment is due.

- (C) The hypothetical Series of refunding Parity Senior Lien Indebtedness shall be assumed to bear interest at the rate the Balloon Payment bears interest.
- (D) [For the First Senior Lien Reserve Subaccount: The schedule described in this Section 5.4 shall be combined with the schedule for payment of any debt service on that Series that is not a Balloon Payment, and that combined schedule shall be used to determine the Reserve Funding Requirement as long as that Series is Outstanding.]
- (E) For the tests for issuing Parity Senior Lien Indebtedness in Section 5.1, the covenants in Section 7.4, and any other applicable tests in this Master Borrowing Declaration: The schedule described in this Section 5.4 shall be used to calculate each Estimated Debt Service Requirement.

## **Section 6. Subordinate Lien Borrowings.**

The Agency may issue Subordinate Lien Borrowings only if the Subordinate Lien Borrowings comply with the requirements of this Section 6. Subordinate Lien Borrowings shall not be payable from any account of the Tax Increment Account except the Subordinate Lien Account or a subaccount of the Subordinate Lien Account. All Subordinate Lien Borrowings shall state clearly that:

6.1 They are secured by a lien on or pledge of the Tax Increment Revenues which is subordinate to the lien on, and pledge of, the Tax Increment Revenues that secure the Senior Lien Borrowings; and,

6.2 They are not payable from any account of the Tax Increment Account except the Subordinate Lien Account or a subaccount of the Subordinate Lien Account.

[On the date of this Master Declaration the Agency has no Subordinate Lien Borrowings outstanding.]

## **Section 7. General Covenants.**

The Agency hereby covenants and agrees with the Owners of all Outstanding Senior Lien Borrowings as follows:

7.1 The Agency shall promptly cause the principal, premium, if any, and interest on the Senior Lien Borrowings to be paid as they become due in accordance with the provisions of this Master Borrowing Declaration and any Supplemental Declaration, but solely from the Security pledged under this Master Borrowing Declaration.

7.2 The Agency shall not issue any obligations which have a lien or claim on the Security, which is superior to the lien or claim of the Owners so long as any Senior Lien Borrowings are Outstanding.

7.3 The Agency shall issue obligations which have a lien or claim on the Security which is on a parity with the lien and claim of the Owners only as provided in Section 5.

7.4 The Agency covenants that it shall not remove property from the Area unless the Agency first provides to all Paying Agents for Senior Lien Borrowings (and to any lenders which purchased Senior Lien Borrowings directly from the Agency) a certification that the Maximum Tax Increment Revenues after taking into account the reasonable effects of the removal for the Fiscal Year in which the removal occurs would have been no less than one hundred and twenty-five percent (125%) of Maximum Annual Debt Service.

7.5 The Agency shall refinance or otherwise provide for the payment of any Balloon Payments not later than the date on which the Balloon Payments are actually due.

7.6 The Agency shall maintain complete books and records relating to the Tax Increment Account, the Tax Increment Revenues and the Senior Lien Borrowings in accordance with generally accepted accounting principles, and will cause such books and records to be audited annually at the end of each Fiscal Year, and an audit report prepared by the an independent auditor and made available for the inspection of Owners.

## **Section 8. Amendment of Declaration.**

8.1 The Agency may adopt a Supplemental Declaration to amend this Master Borrowing Declaration without the consent of any Owner for any one or more of the following purposes:

- (A) To cure any ambiguity or formal defect or omission in this Master Borrowing Declaration;
- (B) To add to the covenants and agreements of the Agency in this Master Borrowing Declaration other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with this Master Borrowing Declaration as theretofore in effect;
- (C) To confirm, as further assurance, any security interest or pledge created under this Master Borrowing Declaration or any Supplemental Declaration;
- (D) To issue Parity Senior Lien Indebtedness or Subordinate Lien Borrowings pursuant to this Master Borrowing Declaration; or,
- (E) To make any change which, in the reasonable judgment of the Agency, does not materially and adversely affect the rights of the Owners of Senior Lien Borrowings.

8.2 The Agency may amend this Master Borrowing Declaration for any other purpose, but only if the Agency obtains the consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Senior Lien Borrowings then Outstanding in accordance with Section 10. However, no amendment shall be valid which:

- (A) extends the maturity of any Senior Lien Borrowings,
- (B) reduces the rate of interest on any Senior Lien Borrowings,
- (C) extends the time of payment of interest on any Senior Lien Borrowings,

- (D) reduces the amount of principal payable on any Senior Lien Borrowings,
- (E) reduces any premium payable on any Senior Lien Borrowings, without the consent of all affected Owners;
- (F) reduces the percent of Owners required to approve amendments to this Master Borrowing Declaration; or
- (G) amends this Section 8.2.

**Section 9. Default and Remedies.**

9.1 The occurrence of one or more of the following shall constitute an Event of Default under this Master Borrowing Declaration:

- (A) Failure by the Agency to pay Senior Lien Borrowing principal, interest or premium when due;
- (B) Failure by the Agency to observe and perform any covenant, condition or agreement which this Master Borrowing Declaration requires the Agency to observe or perform for the benefit of Owners of Senior Lien Borrowings, which failure continues for a period of 60 days after written notice to the Agency by the Owners of ten percent or more of the principal amount of Senior Lien Borrowings then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the Agency within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph (B); or,
- (C) The Agency is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for Tax Incremental Revenues.

9.2 The Owners of fifty-one percent (51%) or more of the principal amount of Senior Lien Borrowings then Outstanding may waive any Event of Default and its consequences, except an Event of Default described in Section 9.1(A).

9.3 If an Event of Default occurs, any Owner may exercise any remedy available at law or in equity including mandamus where applicable. However, the Senior Lien Borrowings shall not be subject to acceleration.

9.4 No remedy by the terms of this Master Declaration conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Borrowing Declaration or existing at law or in equity or by statute on or after the date of adoption of this Master Borrowing Declaration.

## **Section 10. Ownership of Senior Lien Borrowings.**

10.1 For purposes of determining the percentage of Owners consenting to, waiving or otherwise acting with respect to any matter that may arise under this Master Borrowing Declaration:

- (A) the initial purchaser of a Series of Senior Lien Borrowings may be treated as the Owner of that Series at the time that Series is delivered in exchange for payment; and,
- (B) the issuer of a municipal bond insurance policy which insures payment of all principal and interest due on one or more Series of Senior Lien Borrowings may be treated as the Owner of all Senior Lien Borrowings insured by that policy.

## **Section 11. Defeasance.**

The Agency shall be obligated to pay any Senior Lien Borrowings which are defeased in accordance with this Section 11 solely from the cash and Government Obligations which are deposited in escrow pursuant to this Section 11. Senior Lien Borrowings shall be deemed defeased if the Agency:

11.1 irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient without reinvestment for the payment of the Senior Lien Borrowings which are to be defeased; and,

11.2 files with the escrow agent or trustee an opinion from a Qualified Consultant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased Senior Lien Borrowings when due.

## **Section 12. Rules of Construction.**

In determining the meaning of provisions of this Master Borrowing Declaration, the following rules shall apply unless the context clearly requires application of a different meaning:

12.1 References to section numbers shall be construed as references to sections of this Master Borrowing Declaration.

12.2 References to one gender shall include all genders.

12.3 References to the singular include the plural, and references to the plural include the singular.

## **Section 13. The IGA related to the 2016 IFA Loan and Initial Bond as Parity Senior Lien Indebtedness.**

13.1 The IGA related to the 2016 IFA Loan and the Initial Bond are the first Senior Lien Borrowings issued under this Master Borrowing Declaration, and the tests for Parity Senior Lien



Indebtedness under Section 5 of this Master Borrowing Declaration do not apply to their issuance.

**Section 14. The Initial Bond.**

14.1 Security. The Agency shall issue the Initial Bond pursuant to the Resolution and this Master Borrowing Declaration. The Initial Bond shall be Parity Senior Lien Indebtedness. [The Initial Bond is secured by the First Reserve Subaccount.]

14.2 Payment Dates and Interest Rate.

(A) The Initial Bond shall be issued in the principal amount of \$[Principal Amount], shall be dated [Closing Date], 2022, and shall bear interest at a rate of [\_\_] percent ([\_\_]%) computed on a 30/360 basis. Interest on the Initial Bond shall be payable semiannually on [June 1 and December 1, commencing December 1, 2022] and principal shall be payable annually on [June 1] as provided in the table below:

[TO FOLLOW]

(B) All principal of the Initial Bond, plus accrued interest, shall be paid no later than [Maturity Date].

(C) Any payment by the Agency to the Initial Bond Lender shall be applied first to pay accrued interest, and second to pay Initial Bond principal.

14.3 Prepayment.

(A) [TO BE UPDATED] [The Initial Bond may be prepaid in whole or in part on any Business Day, without penalty upon 30 days' prior written notice to the Initial Bond Lender.]

(B) Prepayments by the Agency to the Initial Bond Lender shall be applied first, to pay accrued interest on the principal amount that is prepaid, and second to reduce the outstanding principal balance.

(C) The Initial Bond Lender will apply the prepayments to the final payments. The Initial Bond Lender will provide the updated payment schedule promptly to the Agency.

14.4 Event of Default. If an Event of Default occurs while the Initial Bond is Outstanding, the Initial Bond Lender may exercise any remedy available at law or in equity and as set forth in this Master Borrowing Declaration. However, the Initial Bond shall not be subject to acceleration.

14.5 Form of Initial Bond. The Initial Bond shall be in substantially the form attached hereto as Appendix A, with such changes as may be approved by the Agency Official.

14.6 Agreements between the Agency and the Initial Bond Lender.

- (A) If either party incurs any expenses in connection with enforcing the Initial Bond, or if the Initial Bond Lender takes collection action under Initial Bond, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.
- (B) Other Fees and Costs. [TO BE UPDATED] [The Initial Bond Lender is not charging the Agency any fees or costs related to the Initial Bond.] The Initial Bond Lender shall pay all out-of-pocket expenses of the Initial Bond Lender and Initial Bond Lender's counsel, including travel and other expenses.

14.7 Representations of the Agency to the Initial Bond Lender so long as amounts are Outstanding under the Initial Bond.

- (A) The Agency shall make its audited financial statements available on the Agency's or the City's website or the Electronic Municipal Market Access system ("EMMA") within 270 days after the end of each Fiscal Year. If not otherwise available publicly on the Agency's or the City's website or EMMA, the Agency shall provide the Initial Bond Lender its audited financial statements within 270 days after the end of each Fiscal Year. However, if the Agency's audited financial statements are not available within 270 days after the end of a Fiscal Year, the Agency shall file its unaudited financial statements for that Fiscal Year with the Initial Bond Lender not later than 270 days after the end of that Fiscal Year, and shall make the audited financial statements for that Fiscal Year available on the Agency's or the City's website or EMMA or provide them to the Initial Bond Lender promptly after the audited financial statements become available
- (B) The Agency is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Master Borrowing Declaration and perform its duties under this Master Borrowing Declaration.
- (C) The adoption of the Resolution, the execution of this Master Borrowing Declaration and the performance of the Agency's obligations under this Master Borrowing Declaration do not conflict in any material respect with, or constitute a material breach of or default under, any law, court decree, administrative regulation, resolution or other agreement to which the Agency is a party or by which it is bound.
- (D) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the Agency that is pending or, to the best of the knowledge of the Agency, is threatened against the Agency to restrain or enjoin the execution of this Master Borrowing Declaration, the adoption of the Resolution, or the collection and application of the funds as contemplated by the Resolution and this Master Borrowing Declaration, or any other action, that, if such matter were adversely decided against the Agency would, in the reasonable judgment of the Agency, have a material and adverse effect on the ability of the Agency to pay the amounts due under this Master Borrowing Declaration.

(E) 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 Master Borrowing Declaration to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Master Borrowing Declaration and the Initial Bond and all related documents, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Master Borrowing Declaration and the Initial Bond are valid and binding special obligations of the Agency that are enforceable against the Agency in accordance with their terms, except to the extent that enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Agency.

14.8 Disclosure; Assignment.

- (A) No official statement or other disclosure document has been prepared in connection with the Initial Bond and the Agency has no obligation in connection with the Initial Bond to provide any disclosure regarding operating information or material events to the Municipal Securities Rulemaking Board or any dissemination agent. The Agency is obligated to provide information to the Initial Bond Lender in connection with the Initial Bond only as specifically stated in Section 14.7 hereof.
- (B) The Initial Bond Lender may not transfer or assign its rights and obligations under the Initial Bond unless the transferee delivers to the Agency an investor letter in substantially the form of the qualified investor letter delivered by the Initial Bond Lender on the closing date of the Initial Bond and the transferee is either (i) a successor in interest of the Initial Bond Lender by means of a corporate merger, an exchange of stock, or a sale of assets, (ii) a "Bank" as that term is defined in Section 3 (a)(2) of the Securities Act of 1933, or (iii) to an affiliate of the Initial Bond Lender.
- (C) The Agency may not assign its rights and obligations under the Initial Bond without the prior written consent of the Initial Bond Lender, which may be withheld in the Initial Bond Lender's sole discretion.

This Master Borrowing Declaration may be executed in several counterparts, which together shall constitute one and the same instrument.

*[The remainder of this page is left blank intentionally.]*

Dated as of [Closing Date], 2022.

**Albany Revitalization Agency, Oregon**

By: \_\_\_\_\_  
[Agency Official]

Acknowledging and agreeing to the provisions in Section 14.

**[Lender]**

By: \_\_\_\_\_  
[Authorized Official]

**Appendix A**

No. R-1

[\$Principal Amount]

United States of America  
State of Oregon  
County of Linn  
**Albany Revitalization Agency**  
Urban Renewal and Redevelopment Bond  
(Central Albany Revitalization Area)  
Series 2022

The Albany Revitalization Agency, Oregon (the "Agency"), for value received, acknowledges itself indebted and hereby promises to pay, but solely from the Tax Increment Revenues and amounts described in the Agency's Master Borrowing Declaration dated as of [Closing Date], 2022 (the "Master Borrowing Declaration"), to [Lender] (the "Initial Bond Lender"), the aggregate principal amount of [\$Principal Amount] in the installments described in Section 14.2 of the Master Borrowing Declaration.

Interest is payable semiannually on [June 1 and December 1 commencing December 1, 2022], at the rate described in Section 14.2 of the Master Borrowing Declaration and shall be computed on the basis of a 360-day year of twelve 30-day months.

This Initial Bond is issued pursuant to Agency Resolution No. [ ] adopted on [ ], 2022, and the Master Borrowing Declaration (collectively, the "Resolution"). Capitalized terms used in this Initial Bond have the meanings defined for such terms in the Resolution.

This Initial Bond is issued by the Agency for the purpose of financing the costs of urban renewal projects within the Central Albany Revitalization Area (the "Area"), which will be located in the Area in full and strict accordance and compliance with all of the provisions of the Constitution and statutes of the State of Oregon.

This Initial Bond is a special obligation of the Agency, payable solely from the Security as defined and provided in the Resolution. The Initial Bond is Parity Senior Lien Indebtedness under the Resolution. The Initial Bond is secured by the First Reserve Subaccount. The Agency has reserved the right to issue obligations on a parity lien with the Initial Bond in the future, as provided in the Resolution. The Agency also has the right to issue obligations which have a subordinate lien on the Tax Increment Revenues.

**THIS INITIAL BOND IS NOT A GENERAL OBLIGATION OF THE AGENCY OR THE CITY OF ALBANY, OREGON AND IS PAYABLE SOLELY FROM THE SECURITY AS PROVIDED IN THE RESOLUTION.**

This Initial Bond may be prepaid as described in the Resolution.

This Initial Bond may only be transferred as permitted by the Resolution. Any transfer of this Initial Bond must be registered with the Agency and the Agency may treat the person in whose name this Initial Bond is registered as its absolute owner for all purposes.

The Owner may exchange or transfer any Initial Bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Agency and duly executed by the Owner or his or her duly authorized attorney.

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 Initial 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 Initial Bond is a part, and all other obligations of the Agency, are within every debt limitation and other limit prescribed by such Constitution and statutes.

IN WITNESS WHEREOF, the Agency has caused this Initial Bond to be signed by the manual signature of the [Agency Official] of the Albany Revitalization Agency, Oregon, as Agency Official under the Resolution, as of [Closing Date], 2022.

**Albany Revitalization Agency, Oregon**

\_\_\_\_\_  
Agency Official



# MEMO

---

**TO:** Albany Revitalization Agency (ARA)  
**FROM:** Seth Sherry, Economic Development Manager  
**DATE:** February 8, 2022, for the February 16, 2022, ARA Meeting

**SUBJECT:** Waterfront Project Progress Update.

**Action Requested:**

None.

**Discussion:**

We have invited our consulting team back for a Waterfront Project update. During their presentation, you can expect updates on:

- Construction Phasing
- Permitting
- Utility Undergrounding
- The construction bidding process

Prior to the meeting on February 16, I would invite you to review the context and final design elements captured on the project website; <http://albanywaterfront.net/>. Keep in mind, some details of the project have changed in technical design to accommodate real world constraints, but it is effectively the same as what can be seen on the website. As always, you are free to reach out to staff directly with questions prior to our next meeting.

**Budget Impact:**

None.

SS:sd:jv