



**Tillamook Urban Renewal Agency
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**TURA Special Meeting
Monday – February 27, 2012 - 5:30 P.M.**

Board Members Present:

Chairman Don Hurd
Vice Chair Carolyn Decker
Alene Allen
Lynda Casey
John Sandusky

Board Members Absent:

Cheryl Davy – excused
Dave Schrom - absent

Staff Present:

City Manager Paul Wyntergreen
Executive Assistant Debbi Reeves

Guests/Public:

David Mast

1. **Call to Order and Roll Call:** Chairman Hurd called the special meeting of the TURA to order at 5:35 p.m. Reeves called the roll of the board. Davy had asked to be excused. Schrom was absent. All other board members were present.
2. **Discussion and Review of 3rd Street Project Financing:** Chairman Hurd asked Wyntergreen to present the financing information to the board. Wyntergreen explained the financing was not a bond but a loan. He went over the loan documents that had been sent by Columbia State Bank noting this was a 12-year loan. He went on to explain that the \$1.5 million dollar loan would be used to pay off all existing debt with TLC Credit Union and the balance would be used for the 3rd Street Improvement Project. Wyntergreen noted that Tillamook County Public Works had invoiced TURA for \$726,105 and any balance of the loan would be held in reserve in case of change orders and/or extra contingencies. Loan repayment had been setup with a lump sum payment if the extra funds are not required on the project. The note and resolution will need to be amended for any lump sum principal payment that is made. Reeves will look into the possibility of investing the extra money in a Certificate of Deposit to get higher interest. Wyntergreen explained Columbia State Bank would take first lien position on the TURA tax revenues. Reeves explained TLC Credit Union said they would have to close all existing loans and lines of credit with them since they will no longer hold the first lien position. TLC did comment they would be willing to speak with TURA should there be future borrowing needs. Reeves also mentioned that by borrowing the extra money at this time with Columbia State Bank would cost less than if there were extra costs for the project that required financing. Dan McDowell, of Columbia Bank had mentioned there would be more loan fees involved than what the interest costs would be on the extra money.

Agency Board Members:

Chairman Don Hurd; Vice Chair Carolyn Decker
Cheryl Davy, John Sandusky, Alene Allen, Lynda Casey, Dave Schrom
Administrator: Paul Wyntergreen, Executive Assistant: Debbi Reeves

Wyntergreen continued by explained the debt service requirement of the bank. **Decker** asked for further explanation and **Wyntergreen** said they have a 10% requirement so for \$1.5M they would require \$150,000 in the debt service account.

With no further questions from the board, **Chairman Hurd** said the board would have to approve the Note and pass the Resolution.

3. **Resolution 2012-02 Authorizing Borrowing:** **Chairman Hurd** asked for a motion to authorize borrowing.

➤ **Sandusky made a motion for TURA to adopt Resolution 2012-02 authorizing the borrowing of money and pledging tax increment revenues along with the authorization of signatures on all necessary loan documents. Allen seconded the motion. There was no further discussion. Chairman Hurd called for the vote and all board members seated received Ayes. The motion passed unanimously.**

4. **Discussion of Plan Amendment and Maximum Indebtedness:** **Chairman Hurd** asked **Wyntergreen** to explain the email from **Elaine Howard** regarding the Plan Amendment and maximum indebtedness. **Wyntergreen** went over the maps and the project list explaining the amounts of the itemized projects on the list. He then explained how increasing the maximum indebtedness of the agency could lengthen the time of the agency by a couple of years. He noted that inflation factors had not been included in the original plan back in 2006. **Howard** had noted in her email several different scenarios of how inflation factors would need to be handled by the agency if they decided to do this. **Hurd** gave his opinion of infrastructure and impacts of the taxing districts for a longer term. There was board discussion of the project list, estimated amounts of the projects on the list, impact on the taxing district for several added years, tax revenue projections, the current taxing districts, and how many more years the district is set for. **Decker** noted she is in support of increasing the maximum indebtedness so the TURA can do projects. There was further board discussion. **Decker** also noted she does not want to see the agency get too debt heavy. **Hurd** said he would like the board to consider increasing the maximum indebtedness by \$2.9M for future projects of TURA. **Wyntergreen** asked if he would also recommend that inflation factors be applied, which **Hurd** agreed with.

➤ **Sandusky made a motion to raise the maximum indebtedness of the Tillamook Urban Renewal Agency by \$2.9 million dollars, to extend the existence of the agency for the appropriate time, and to apply inflation to the project list. Allen seconded the motion. Hurd called for the vote. Ayes were received by all board members seated. The motion passed unanimously.**

Reeves will contact **Howard** and relay this information on to her for implementation into the Plan Amendment.

5. **Public Comments:** None

6. **Concerns of the Board**: There was a brief discussion of the work currently being done on 3rd Street in preparation for the upcoming project.
7. **Adjournment**: With no further business, **Chairman Hurd** adjourned the meeting at 6:15 P.M.

Prepared by:
Debbi Reeves
Administrative Assistant

Reviewed by:

SIGNATURE ON FILE

Don Hurd – Chairman