

ORDINANCE No. 872-A

Introduced by all City Commissioners

PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF WARRENTON GENERAL
OBLIGATION IMPROVEMENT BONDS TO FINANCE CERTAIN PUBLIC IMPROVEMENTS
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$210,000; DECLARING AN EMERGENCY

WHEREAS, the City of Warrenton, Clatsop County, Oregon, (the City"), intends to cause certain improvements in the city to be constructed and extended pursuant to **Resolution No. 727**, passed on **16 May 1990**, each at the expense of the abutting property owners, and has duly assessed the costs of such improvements upon the lots, blocks and parts thereof, and parcels of real property being directly benefitted by these local improvements, in accordance with the provisions of law; and

WHEREAS, applications to pay the assessments in installments, as provided by Oregon Revised Statutes 264.392, 223.205 and 223.210 to 223.295, have been duly filed by the owners of the benefitted properties; and

WHEREAS, each of the applications so filed has been for improvements in the sum of \$25.00 or more, and the amount remaining unpaid upon each assessment for which applications have been filed, together with the unpaid balance of any previous assessments for improvements against the same property, does not exceed twice the assessed value of the benefitted real property as shown by the last county tax roll; and

WHEREAS, each application provides that the property owner agrees to pay the assessment in 20 equal semi-annual payments of principal together with six months of interest at a rate equal to the true interest cost on the Bonds to be issued, plus one percentage point due by December 26 and June 26 of each year, and each application has stated that the applicant and property owner does waive all irregularities or defects, jurisdictional or otherwise, in the proceedings to cause the improvements to be constructed for which the assessment is levied and in apportionment of the cost thereof; and

WHEREAS, such applications have been filed in the principal sum of \$210,000, of which \$210,000 remains unpaid on assessments for which applications have been filed.

The City of Warrenton ordains as follows:

Section 1. Authorization of Issuance.

The City, a municipal corporation of the State of Oregon, does hereby authorize the issuance and sale of its negotiable general obligation improvement bonds in the principal sum of Two Hundred Ten Thousand and No/100 Dollars (\$210,000) par value, for the purpose of funding costs incurred or to be incurred by the City in the making of improvements within the city which consist of the construction of a bridge over Holbrook Slough. Assessments against the benefitted properties for the costs of the improvements have been duly levied upon the real property directly benefitted thereby and such assessments have been duly docketed in the lien docket of the City and are liens against the several pieces of benefitted property and the owners of the several parcels of benefitted property affected by such assessments, and charges have heretofore been filed in writing their application to pay assessments in installments as provided by law, all as more fully set forth in **Section 2** of this ordinance.

Section 2. Projects Being Financed.

That the particular improvements to which the applications apply and the amounts remaining unpaid on the aggregate of the applications and the date of the ordinance assessing the same are as follows:

| <u>PROJECT NAME</u> | <u>ORDINANCE DATE</u> | <u>AMOUNT</u> |
|-------------------------|-----------------------|---------------|
| Holbrook Bridge Project | | \$210,000 |

Section 3. Maximum Interest Rate.

The Bonds shall be serial negotiable general obligation improvements bonds of the City and shall bear a maximum true effective rate of interest of not to exceed ten per cent (10%) per annum, payable semi-annually. The Bonds shall be payable in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America

Section 4. Terms of Bonds.

The Bonds shall be entitled "City of Warrenton, Clatsop County, Oregon, General Obligation Improvement Bonds, Series 1990" (the "Bonds") and shall bear the manual or facsimile signature of the Mayor of the City and the manual or facsimile signature of the City Auditor of said City. In addition, the City does hereby request and authorize the Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

The Bonds shall be issued in fully-registered form, shall be in denominations of Five Thousand Dollars (\$5,000) each, or integral multiples thereof, shall be dated 1 July 1990, shall be numbered sequentially beginning with R-1 and shall mature serially in annual installments on the 1st day of July, as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 1991 | \$20,000 |
| 1992 | 20,000 |
| 1993 | 20,000 |
| 1994 | 20,000 |
| 1995 | 20,000 |
| 1996 | 20,000 |
| 1997 | 20,000 |
| 1998 | 20,000 |
| 1999 | 25,000 |
| 2000 | 25,000 |

Section 5. Payment of Bonds.

The principal of the Bonds shall be payable upon delivery of the Bonds at maturity at the principal corporate trust office of the Paying Agent in Portland, Oregon. Payment of each installment of interest due on 1 January and 1 July of each year, commencing 1 January 1991, shall be made by check or draft of the Paying Agent mailed to the registered owner thereof whose name and address appears on the registration books of the City, maintained by the Paying Agent as of the close of business on the 15th day of the month next preceding the interest payment date. If such date is not a business day, then the business day immediately preceding such 15th day of the month shall be utilized as the record date.

Section 6. Optional Redemption.

The Bonds of this issue maturing after 1 July 1997, are redeemable at the option of the City on 1 July 1997, and on any interest payment date thereafter at par, together with accrued interest to the date fixed for redemption. The Bonds are redeemable, in whole or in part, in integral multiples of \$5,000 in inverse order of maturity and by lot within a maturity. Notice of redemption shall be published as provided by law and shall be given by first class mail not less than thirty (30) days prior to the date fixed for redemption to the registered owners of each Bond to be redeemed at the address shown on the registration books of the City. Bonds are redeemable at the office of the Paying Agent.

Section 7. Form of Bonds.

The Bonds shall be issued substantially in the form set forth in Exhibit "A", attached hereto and incorporated herein by this reference.

Section 8. Appointment of Paying Agent and Registrar.

The City does appoint and designate the United States National Bank of Oregon, of Portland, Oregon, as the Paying Agent and Registrar of the Bonds. The city manager is authorized to negotiate and execute, on behalf of the City, a Paying Agent and Registrar Agreement. The agreement shall provide for compliance with Oregon Administrative Rule 170-61-010.

Section 9. Transfer of Bonds.

The Bonds are transferable or subject to exchange for fully-registered Bonds in the denomination of \$5,000 or integral multiples thereof, by the registered owner thereof in person or by the owner's attorney duly authorized in writing, at the office of the Bond Registrar. The Paying Agent shall maintain a record of the names and addresses of the registered owners of the Bonds. The records of registered bond ownership are not public records within the meaning of ORS 192.410(4).

All Bonds issued upon transfer or in exchange for Bonds shall be valid general obligations of the City evidencing the same debt and entitled to the same benefits as those surrendered for such exchange or transfer. All fees, expenses and charges of the Paying Agent and Registrar shall be payable by the City. The Registrar shall not be required to transfer or exchange any Bond after the close of business on the 15th day of the month next preceding any interest payment date.

Section 10. Printing Bonds.

The City Manager is authorized to contract for the printing of the Bonds. The City Manager may provide for the printing of, in addition to the original issue of Bonds, additional Bonds to be printed in blank form as to registration and to be designated by appropriate number for the Registrar for delivery to the registered owner upon transfer or exchange of Bonds. The additional Bonds shall be dated as of 1 July 1990, shall be signed by the facsimile signature of the present Mayor and the present Auditor of the City and the Registrar shall manually sign the Certificate of Authentication as of the date of the transfer.

Section 11. Security for Bonds.

The Bonds are secured in part by the payments received by the City from the owners of the benefitted property who have filed applications to pay the amount of the assessments in installments, by the lien of the assessment upon the real property directly benefitted as docketed in the records of the City and the Bonds are payable from unlimited ad valorem taxes levied upon all taxable property within the City. Each year the City Commissioners shall levy a direct property tax in such amount as will be sufficient to pay in full the principal of, and the interest upon, the Bonds at the respective due dates thereof, after first taking into consideration other sources and revenues available for the payment thereof.

Section 12. Designation as Qualified Tax-Exempt Obligations.

The City hereby designates the Bonds, for purposes of paragraph (3), Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code") as "qualified tax-exempt obligations" and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the City, including all subordinate entities of the City, if any, during the calendar year 1990.

Section 13. Covenant as to Arbitrage.

The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations issued thereunder. The City covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

Section 14. Exception for Small Governmental units.

The City Commissioners find and determine that the Bonds of the City comply with the statutory requirements of Section 148(f)(4)(C) of the Code in that the City is a governmental unit having general taxing powers, the Bonds are not being issued for a private activity purpose, more than 95% of the net proceeds of the Bonds will be used for local governmental activities of the City and the aggregate face amount of all tax-exempt obligations which will be issued by the City during the calendar year 1990 is not reasonably expected to exceed \$5,000,000.

Section 15. Sale of Bonds.

The City Manager is authorized to establish a date of sale and to advertise the Bonds for public sale at a price not less than 98% of par value thereof and accrued interest to date of delivery. The Notice of Sale shall be published as provided by law. The Notice of Sale shall specify that the City reserves the right to reject any and all bids, and in other respects the Notice shall comply with the provisions of Chapter 287 of Oregon Revised Statutes, as amended. All rates bid must be in integral multiples of one-eighth or one-twentieth of one per cent. All Bonds of the same maturity must bear a single rate from the date of issue to maturity.

Section 16. Appointment of Bond Counsel.

Messrs. Rankin VavRosky Doherty MacColl & Mersereau of Portland, Oregon, are hereby appointed Bond Counsel for the issuance of the Bonds.

Section 17. Preliminary and Final Official Statement.

The City shall prepare a preliminary official statement for the Bonds, which shall be available for distribution to prospective bidders not later than the date on which the notice of bond sale is first published. When advised by staff that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the City Manager is authorized to certify the accuracy of the official statement on behalf of the City.

Section 18. Execution of Documents.

The City Manager is authorized to execute the Certificate as to Arbitrage and any and all additional documents which may be reasonably required to issue, sell and deliver the Bonds.

Section 19. Emergency.

This ordinance, being necessary for the immediate public peace, health and safety of the City in order to obtain sufficient funds to pay for public improvements, an emergency is declared to exist and this ordinance shall be in full force and effect immediately upon the enactment by the City Commissioners.

First reading: 6 June 1990

Second reading: 6 June 1990

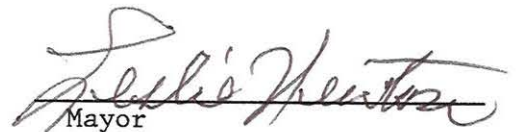
PASSED by the City Commission of the City of Warrenton, Oregon, this 6th day of June 1990.

AYES Max F. Bingaman, Michael G. Murphy, Leslie W. Newton, Robert C. Pollard

NAYS _____

~~ABSTAIN~~ Jerry E. Doney (absent)

APPROVED and signed by the Mayor of the City of Warrenton, Oregon, this 6th day of June 1990.


Mayor

ATTEST;


City Manager/Auditor