

A RESOLUTION OF THE CITY OF LEBANON,) RESOLUTION NO. 25
 LINN COUNTY, OREGON CALLING A MEASURE)
 ELECTION TO SUBMIT TO THE ELECTORS OF THE) for 2006
 CITY THE QUESTION OF CONTRACTING A GENERAL)
 OBLIGATION BONDED INDEBTEDNESS IN AN)
 AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED)
 \$19,970,000 TO FINANCE THE COSTS OF CAPITAL)
 CONSTRUCTION AND CAPITAL IMPROVEMENTS;)
 DECLARING INTENT TO REIMBURSE EXPENDITURES;)
 AND RELATED MATTERS)

WHEREAS, the City Council of the City of Lebanon, Linn County, Oregon (the "City"), through its City Facility Needs Committee and City Facilities Master Plan has determined that current police/court/jail facilities and the city library no longer meet the needs of the citizens of Lebanon; and

WHEREAS, the police facility analysis conducted by Breedlove, McConnell, Granning, Pease, Engineers, Inc. found the building that currently houses the Police Department, courts and jail does not meet basic code requirements, is non-ADA compliant and is vulnerable to fire, earthquake and wind damage.

WHEREAS, Breedlove, McConnell, Granning, Pease, Engineers, Inc. found similar problems with the library building and concluded there is no cost effective way to remodel the current building to provide additional space for library operations; and

WHEREAS, a scientific survey of city voters indicated Lebanon residents clearly understand the need for a new police/court/jail facility and expanded library; and

WHEREAS, the City Council has looked carefully at all of the costs for construction to assure the proposed facilities will provide the best possible service for all Lebanon residents at the most reasonable and responsible cost to taxpayers; and

WHEREAS, the City Council has determined it can help reduce the cost impact of a bond levy for these facilities to taxpayers by refinancing certain current bonded debt of the City at a lower interest rate and certain debt of the Urban Renewal Agency of the City; and

WHEREAS, the City Council has determined there is a need for the City to finance the costs of capital construction and capital improvements, including, but not limited to, providing funds to:

- Construct, furnish and equip a new police station with court and secure jail facilities on city-own land at Tangent and 2nd Streets, formerly the old Santiam school site.
- Construct furnish and equip a new expanded library on City-owned land at Academy Square.
- Refinance existing bonded debt to reduce the cost impact of this bond levy to taxpayers.

- Pay associated bond issuance costs.

The above listed purposes shall be referred to herein as the "Project" and

WHEREAS, the costs of the Project are estimated to be not more than \$18,500,000; and

WHEREAS, ORS 287.003 through 287.012, as amended (the "Act"), subject to voter approval, authorizes the City to contract bonded indebtedness to provide funds to finance the costs of the Project and to pay bond issuance costs; and

WHEREAS, the City anticipates incurring expenditures (the "Expenditures") to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may make from its general funds on the Project from the proceeds of voter-approved general obligation bonds (the "Bonds"), the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, the Council of the City of Lebanon, in Linn County, Oregon, resolves as follows:

1. A measure election is hereby called for the purpose of submitting to the electors of the City the question of contracting general obligation bonded indebtedness in the name of the City in an amount not to exceed \$18,500,000. Bond proceeds will be used to finance the Project and pay all Bond issuance costs. The Bonds shall mature over a period of not more than twenty-one (21) years from the date of issue and may be issued in one or more series.

2. The measure election hereby called shall be held in the City on the 7th day of November, 2006. As authorized by the County Clerk of Linn County, Oregon, and the Oregon Secretary of State, the election shall be conducted by mail pursuant to ORS 254.465 and 254.470.

3. The City authorizes the City Administrator as authorized representative and city election authority under ORS 255.005(4) ("Authorized Representative") to act on behalf of the City, to submit the final ballot title and explanatory statement and to take such further action as is necessary to carry out the intent and purposes herein in compliance with the applicable provisions of law.


4. The City election authority shall cause to be delivered to the Election Officer of Linn County, Oregon (the "Election Officer"), a Notice of Bond Election (the "Notice") in substantially the form as attached hereto as Exhibit "A", which shall be approved and filed by the Authorized Representative of the City, not later than September 7, 2006, (61 days prior to the election date).

5. The City hereby declares its official intent to reimburse itself with the proceeds of the Bonds for any of the Expenditures incurred by it prior to the issuance of the Bonds.


6. The law firm of Mersereau & Shannon LLP is hereby appointed to serve as bond counsel with respect to the Bonds. The City will pay the fees and expenses of bond counsel from Bond proceeds.

7. Pursuant to ORS 221.310(3), this resolution shall become effective upon passage by the Council and approval of the Mayor.

Passed by the Council of the City of Lebanon, Linn County, Oregon by a vote of 5 for and 0 against, and approved by the Mayor this 26th day of July, 2006.


Kenneth I. Toombs, Mayor
Ron Miller, Council President

ATTEST:


Linda G. Kaser, City Clerk/Recorder