

Resolution for Waiving Employment Requirement on Short-Term Exemption for Investment of at least \$25 million in an Oregon Enterprise Zone) RESOLUTION NO. 12
)
) for 2007
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BEFORE THE CITY COUNCIL OF THE CITY OF LEBANON, OREGON in the matter of granting an Enterprise Zone exemption to Oregon Metallurgical Corporation by waiving statutory requirements to increase employment by ten percent (10%).

WHEREAS, Oregon Metallurgical Corporation intends to invest an estimated \$35 million in capital improvements for the Allvac plant in Albany Oregon, starting in July 2007; and

WHEREAS, the Allvac plant is located within the South Santiam Enterprise Zone, which is sponsored by Linn County, cities of Albany, Lebanon and Millersburg ; and

WHEREAS, Oregon Metallurgical Corporation has applied for authorization in the Enterprise Zone for the aforementioned investment; and

WHEREAS, ORS 285C.155 and 285C.200(2), the enterprise zone sponsor may provide by resolution for authorization of an eligible business firm, such that it may qualify for the exemption on qualified property in the zone without increasing zone employment as normally required, if the firm's total investment in qualified property costs \$25 million or more, and it maintains a minimum number of full-time employees in the zone (as established by the zone sponsor), and it satisfies other reasonable requirements as the zone sponsor also may establish; and

WHEREAS, Oregon Metallurgical Corp and Wah Chang has 1,345 full-time employees throughout the South Santiam Enterprise Zone as averaged over the past 12 months.

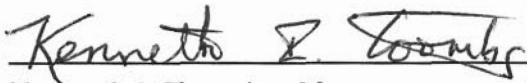
NOW THEREFORE, THE LEBANON CITY COUNCIL RESOLVES, AS FOLLOWS:

Oregon Metallurgical Corporation and Wah Chang are hereby authorized to qualify in accordance with ORS 285C.200 for purposes of the exemption on qualified property under ORS 285C.175, provided that:

Section 1. The investment at the Allvac – Albany plant in qualified property, for which the exemption is claimed over one to three years, costs \$25 million or more in total; and

Section 2. The number of full-time, year-round employees of Allvac – Albany and Wah Chang in the South Santiam Enterprise Zone is maintained at or above 1,210 on average, for each calendar year of the exemption period.

Passed by the Lebanon City Council and signed by the Mayor this **11th day of April, 2007** by a vote of 6 for and 0 against.


Kenneth I. Toombs, Mayor
Ron Miller, Jr. Council President

ATTEST:



John Hitt, City Manager