

A BILL FOR AN ORDINANCE OF THE) Ordinance Bill No. 17
CITY OF LEBANON, LINN COUNTY,) for 1990
OREGON PROVIDING FOR THE ISSUANCE)
AND SALE OF GENERAL OBLIGATION) Ordinance No. 2082
IMPROVEMENT BONDS TO FINANCE)
CERTAIN PUBLIC IMPROVEMENTS IN THE)
AGGREGATE PRINCIPAL AMOUNT NOT TO)
EXCEED \$150,000 AND DECLARING AN)
EMERGENCY.)

WHEREAS, the City of Lebanon, Linn County, Oregon (the "City") has caused certain improvements in the City to be constructed, 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 benefited by these local improvements in accordance with the provisions of law; and

WHEREAS, applications to pay the assessment in installments, as provided by Oregon Revised Statutes 223.205 to and including 223.295, will be duly filed by the owners of the benefited properties with additional applications expected to be filed prior to the issuance of any bonds (such applications already filed and those additional applications filed prior to the issuance of any bonds are collectively referred to herein as "the Applications"); and

WHEREAS, each of the Applications shall be for improvements in the sum of \$25.00 or more, and the amount remaining unpaid upon each assessment for which Applications are filed, together with the unpaid balance of any previous assessments for improvements against the same property, shall not exceed twice the assessed value of the benefited 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 equal semi-annual installments over a term of 10 years, together with interest at the rate prescribed by law, 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, the City now wishes to issue bonds pursuant to Oregon Revised Statutes 223.235 to and including 223.260, to finance the unpaid assessments.

THE CITY OF LEBANON 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 aggregate principal amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) for the purpose of funding costs incurred or to be incurred by the City in the making of local improvements (as defined in Oregon Revised Statutes 223.387) within the City. Prior to the issuance of any bonds, assessments against the benefited properties for the costs of the improvements shall have been duly levied upon the real property directly benefited thereby and such assessments shall have been duly docketed in the lien docket of the City and shall be liens against the several pieces of benefited property and the owners of several parcels of benefited property affected by such assessments shall have filed in writing their Application to pay the 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 date of the ordinance assessing the same are as follows, to wit:

| <u>PROJECT NAME</u> | <u>TOTAL ASSESSMENT</u> |
|-------------------------|-----------------------------|
| West Oak | \$110,932 |
| Twelfth Street | 36,941 |
| | ----- |
| | \$147,873 |

Section 3. Maximum Interest Rate. The Bonds shall be negotiable general obligation improvement bonds of the City and shall bear a maximum true effective rate of interest of not to exceed ten percent (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 Lebanon, Linn 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 Recorder of the 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, except for a single bond which may be in an odd amount, shall be dated October 1, 1990, shall be numbered sequentially beginning with R-1, and shall mature in annual installments on the 1st day of October, approximately as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 1991 | \$12,873.00 |
| 1992 | 10,000.00 |
| 1993 | 10,000.00 |
| 1994 | 15,000.00 |
| 1995 | 15,000.00 |
| 1996 | 15,000.00 |
| 1997 | 15,000.00 |
| 1998 | 15,000.00 |
| 1999 | 20,000.00 |
| 2000 | 20,000.00 |

The Council hereby authorizes the City Administrator or the Finance Director to modify the principal amount and maturities of the Bonds to account for any Applications filed during the period after the enactment of this Ordinance and the publishing of the Notice of Sale; provided, however, that the maximum amount of Bonds that may be issued pursuant to this Ordinance may not exceed \$150,000.

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 October 1 and April 1, of each year commencing April 1, 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 October 1, 1997 are redeemable at the option of the City on October 1, 1997 and on any interest payment date thereafter at par together with accrued interest to the date fixed for redemption. Such 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 First Interstate Bank of Oregon, N.A. of Portland, Oregon, as the Paying Agent and Registrar of the Bonds. The City Administrator or Finance Director 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 Oregon Revised Statutes 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 the Bonds 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 called or being called for redemption or after the close of business on the 15th day of the month next preceding any interest payment date.

Section 10. Printing of Bonds. The City Administrator or Finance Director is authorized to contract for the printing of the Bonds. The City Administrator or Finance Director 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 October 1, 1990, shall be signed by the facsimile signature of the present Mayor of the City and the present City Recorder of

the City and the Registrar shall manually sign the Certificate of Authentication as of the date of the transfer of the Bonds.

Section 11. Security for Bonds. The Bonds are secured in part by the payments received by the City from the owners of the benefited 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 benefited as docketed in the records of the City and by the obligation of the City to levy unlimited ad valorem taxes upon all taxable property within the City in the event insufficient revenues from other legally available revenues are insufficient to pay the Bonds. The Council each year 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 legally available for the payment thereof.

Section 12. Designation as Qualified Tax-Exempt Obligation. The City hereby designates the Bonds for purposes of paragraph (3) of 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 Council finds and determines that the Bonds 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 Administrator or Finance Director is authorized to establish a date of sale and to advertise the Bonds for public sale at a price not less than 100% 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 one-thousandth of one percent (.001%). All Bonds of the same maturity must bear a single rate of interest from the date of issue to maturity. The interest rate for any single maturity may not exceed twelve percent (12%).

Section 16. Appointment of Bond Counsel. Messrs. Rankin Mersereau and Shannon of Portland, Oregon are hereby appointed Bond Counsel for the issuance of the Bonds.

Section 17. Appointment of Financial Advisor. Seattle-Northwest Securities Corp. is hereby appointed financial advisor to the City for the issuance of the Bonds.

Section 18. 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 Administrator or Finance Director is authorized to certify the accuracy of the official statement on behalf of the City.

Section 19. Execution of Documents. The City Administrator or Finance Director 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 20. Emergency. This Ordinance being necessary for the immediate public health, safety and welfare of the City in order to obtain sufficient funds to pay for public improvements at current market interest rates, an emergency is declared to exist and this Ordinance shall be in full force and effect

immediately upon adoption by the Council and approval by the Mayor.

AYES 4

NAYS 0

ABSTAIN 0

Approved by the President of Council this 26th day of
September, 1990.

APPROVED:

Ronald E. Miller, Jr.
President of Council

ATTEST:

Joseph D. Winall
City Administrator

Refer to reverse side
for Additional Provision

UNITED STATES OF AMERICA
STATE OF OREGON
CITY OF LEBANON
LINN COUNTY, OREGON
GENERAL OBLIGATION IMPROVEMENT BOND
SERIES 1990

Number R-

Dated: _____, 1990

Rate of Interest:

% Per Annum

Maturity Date: *

CUSIP

Registered Owner

Principal Amount

DOLLARS

City of Lebanon, Linn County, Oregon (the "City") for value received, acknowledges itself indebted and hereby promises to pay to the registered owner, or registered assigns, on the maturity date, the principal amount and to pay interest thereon from the date of this Bond, or from the most recent interest payment date to which interest has been paid, at the rate of interest per annum set forth above on the ____ day of _____ and the ____ day of _____ of each year commencing _____, 1991 until the principal amount is paid either at maturity or upon prior redemption.

The principal of this Bond is payable in lawful money of the United States of America upon presentation at the principal corporate trust office of First Interstate Bank of Oregon, N.A., in Portland, Oregon, as Paying Agent and Bond Registrar. Payment of each installment of interest shall be made to the registered owner hereof whose name appears on the registration books of the City maintained by the Paying Agent as of the close of business on the ____ day of the month next preceding any interest payment date. If such date is not a business day, then the business day prior to the ____ day of the month next preceding the interest payment date shall be the record date. Interest payments shall be paid by the check or draft of the Paying Agent mailed by the Paying Agent on the interest payment date to the registered owner at the address as it appears on the registration books. The Bond Registrar shall not be required to transfer or exchange any Bond (1) after the close of business on the ____ day of the month next preceding any interest payment date, or (2) called or being called for redemption.

REFERENCE IS HEREBY MADE TO THE ADDITIONAL PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, AND SUCH ADDITIONAL PROVISIONS SHALL HAVE THE SAME EFFECT AS IF FULLY SET FORTH HERE.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in the form and manner required by the Constitution and statutes of the State of Oregon and that this Bond, together with all other indebtedness of the City, does not exceed any limitation prescribed by law.

The full faith and credit of the City is hereby pledged for the payment of the principal of, premium, if any, and interest on this Bond as the same respectively become due and payable. The Bonds are valid and legally binding obligations of the City and are authorized and issued pursuant to the laws of the State of Oregon and Ordinance No. ____ passed by the Council of the City on _____, 1990.

This Bond shall not be valid or become obligatory until the Certificate of Authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the Council of the City has caused this Bond to be executed by the facsimile signature of its Mayor and attested by the facsimile signature of its City Recorder, all as of the ____ day of _____, 1990.

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Improvement Bonds, Series 1990, of the City of Lebanon, Linn County, Oregon.

Mayor

Attest:

City Recorder

FIRST INTERSTATE BANK OF OREGON, N.A.
as Bond Registrar

By _____
Authorized Officer

ADDITIONAL PROVISIONS

This Bond is one of an authorized series of general obligation improvement bonds aggregating \$_____ in principal amount and is authorized by the laws of the State of Oregon, particularly by Oregon Revised Statutes, Section 223.205 to 223.295, inclusive, and Ordinance No. _____ enacted by the Council of the City on _____, 1990.

The Bonds maturing on _____, _____, are subject to call and redemption, at the option of the City, on _____, _____, and on any interest payment date thereafter at par value, together with interest accrued to the date of redemption. The Bonds shall be subject to redemption 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 owner of each Bond to be redeemed at the address shown on the registration books of the city. Bonds called for redemption shall be payable at the office of the Paying Agent.

This Bond is transferable by the registered owner hereof in person or by the owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Portland, Oregon, but only in the manner and subject to the limitations provided in the authorizing Ordinance and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee.

The Bonds are issued in fully registered form in the denomination of \$5,000 each or any integral multiple thereof, except for a single bond which may be in an odd amount. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Ordinance.

The City and the Bond Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the principal hereof and interest due hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

