

A BILL FOR AN ORDINANCE OF)
THE CITY OF LEBANON AUTHORIZING)
A LOAN FROM THE SPECIAL PUBLIC)
WORKS FUND BY ENTERING INTO A)
LOAN CONTRACT WITH THE OREGON)
ECONOMIC DEVELOPMENT DEPARTMENT)
AND DECLARING AN EMERGENCY)

ORDINANCE NO. 2185
for 1996

Whereas, the City of Lebanon is a "municipality" within the meaning of Oregon Revised Statutes 285.700(1).

Whereas, Oregon Revised Statutes Sections 285.700 to 285.750 (the "Act") authorizes any municipality to file an application with the Oregon Economic Development Department (the "Department") to obtain financial assistance with the Special Public Works Fund.

Whereas, the City of Lebanon has filed an application with the Department to obtain financial assistance for an "infrastructure project" within the meaning of the Act.

Whereas, the Department has approved the City of Lebanon's application for financial assistance from the Special Public Works Fund pursuant to the Act.

Whereas, the City of Lebanon is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Loan Agreement with the Department in substantially the form attached hereto as Exhibits "A" and "B".

Whereas, the project described in Exhibit "A" to the Loan Agreement (the "Project") is an "infrastructure project" within the meaning of the Act which is needed by and is in the public interest of the City of Lebanon.

Whereas, notice relating to the City of Lebanon's consideration of the adoption of this Ordinance was published at least once in a newspaper of general circulation within the City of Lebanon. Such notice was published at least 14 days in advance of the adoption of this Ordinance.

NOW, THEREFORE, the Governing Body of the City of Lebanon ordains as follows:

Section 1. Loan Authorized. The Governing Body authorizes the Finance Director to execute the Financial Assistance Award Contract, Loan Agreement, the Promissory Note attached as Exhibit "F" to the Loan Agreement (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a direct loan in an amount not to exceed \$315,000 and a deferred loan in the amount of \$25,000 from the Department on the condition that the aggregate principal amount of the loans from the

Department to the City of Lebanon is not in excess of \$340,000 and the interest rate on such loan is not in excess of seven percent (7.00%). The proceeds of the loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Loan Agreement.

Section 2. Security. Amounts payable by the City of Lebanon shall be payable from the sources described in Section 3.09 of the Loan Agreement and Oregon Revised Statutes 285.723(2) which include:

- a. any sources of funds that are legally available to the City of Lebanon,
- b. the revenues, if any, of the Project, including special assessment revenues, if any, and
- c. the City of Lebanon's general fund including the general revenues of the City of Lebanon, other funds which may be available for such purpose and a pledge of the City of Lebanon's taxing power within the restrictions of Article XI, Section 11 and 11b of the Constitution of the State of Oregon. The obligation of the City of Lebanon to make payments pursuant to the Loan Agreement is a full faith and credit obligation of the City of Lebanon that is not subject to annual appropriation.

Section 3. Additional Documents. The City Administrator is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance form the Department for the Project pursuant to the Financial Assistance Award Contract and the Loan Agreement.

Section 4. Declaration of Emergency. The Governing Body declares that an emergency exists in order that there be no delay in financing the Project as provided in the Ordinance. Therefore, this Ordinance shall be in force and effect from and after passage by the Governing Body.

Passed by the Council by a vote of 5 for and 0 against and approved by the Mayor this 31 day of July, 1996.

City of Lebanon

Kenneth I. Couch

For Mayor

ATTEST:

[Signature]

City Administrator