

AN ORDINANCE OF THE CITY OF LEBANON)	Ordinance Bill No. <u>5</u>
APPROVING AN AMENDMENT TO THE)	for 1998
LEBANON URBAN RENEWAL AREA)	
PLAN AND REPORT)	Ordinance No. <u>2221</u>

Section 1. Purpose

By enactment of this ordinance, the Common Council (the “Council”) of the City of Lebanon, Oregon (the “City”) approves the attached Amendment to the Lebanon Urban Renewal Area Plan and Amendment to the Report on the Lebanon Urban Renewal Area Report pursuant to ORS 457.095 and ORS 457.190.

Section 2. Findings

- a) The Lebanon Urban Renewal Area Plan (the “Plan”) and the Lebanon Urban Renewal Area Report (the “Report”) were duly adopted and approved in December, 1978, and have been subsequently amended. The Urban Renewal Agency of the City of Lebanon (the “Agency”) proposes a further amendment to the Plan and Report at this time to add language which makes the plan consistent with provisions of Measure 50 as it applies to tax increment financing, and which permits the use of tax increment financing utilizing the provisions of Measure 50 and enabling legislation for existing plans.
- b) The amendment must be made to the Plan and the Report in order to best continue correcting blighting influences in the area and provide for orderly and efficient development.
- c) The amendment to the Plan and the Report conforms to the adopted Comprehensive Plan of Linn County.
- d) The amendment does not remove or restrict existing provisions contained in the Plan to house or relocate displaced persons or businesses as a result of plan implementation.
- e) Acquisition of real property in order to implement projects continues in force.
- f) Adoption of this amendment is necessary to carry out the Plan and is economically sound and feasible.
- g) The amendment to the Plan and the Report was forwarded to the Planning Commission of the City for recommendation prior to being considered by the Council.
- h) Affected overlapping taxing districts were consulted and conferred with prior to this amendment being forwarded to the Council.
- i) Legislation implementing changes to the Oregon Constitution adopted by voters May 20, 1997 (Measure 50) amended ORS Chapter 457. These changes allow a municipality, which had adopted an urban renewal plan by ordinance prior to December 6, 1996 to collect ad valorem property taxes using one of three options to pay indebtedness issued or incurred to carry out the Plan.

- j) In order for the municipality to collect ad valorem property taxes using one of the three options for collection described in ORS 457.435(2), the plan must be changed by substantial amendment to include a maximum amount of indebtedness that may be issued or incurred under the Plan as determined under ORS 457.190(3)(c)(B).
- k) The Agency, acting as the duly designated urban renewal agency of the City has reviewed the records relating to scope and cost of projects in the Plan and the schedule for completion as of December 5, 1996. A description of the review is included in the amendment to the Report on Exhibit B hereto and is hereby incorporated into this Ordinance as additional findings.
- l) The description of the review of the scope and cost of projects constitutes a good faith estimate of the scope and cost of projects anticipated as of December 5, 1996.
- m) The Agency has estimated the maximum amount of indebtedness to be incurred needed to complete the projects. "Maximum indebtedness" means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. ORS 457.090 (3)(c)(B) provides the maximum amount of indebtedness that may be issued or incurred under the plan shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996.
- n) The Agency has estimated the amount of new indebtedness to be incurred needed to complete the projects, which is to be repaid pursuant to the provisions of ORS Chapter 457. In estimating that amount, the Agency excluded cash on hand resulting from non-tax increment financing collections and cash on hand resulting from bonded indebtedness which has been repaid and future interest on bonded debt. That amount of new indebtedness is estimated to be \$2,995,221.
- o) The Agency met with the Council as the governing body of the municipality which created the Agency and as the affected municipality on April 8, 1998 to review the proposed maximum amount of indebtedness for the Plan.
- p) The Council has considered the material presented by the Agency, all information presented and all matters discussed at the meetings described in Recital o. above, the action of affected municipalities, if any, and other testimony provided to the record, and finds that based on a good faith estimate of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation in the Plan and the schedule for their completion as the completion dates were anticipated as of December 5, 1996, the maximum amount of indebtedness that may be issued or incurred under the plan is \$2,995,221.

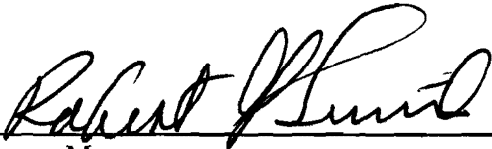
Section 3. Approval

This amendment to the Plan attached as Exhibit A and incorporated herein, is hereby adopted and approved. The amendment to the Report attached as Exhibit B and included herein is hereby adopted and approved.

Section 4. Effective Date

This ordinance shall take effect ninety (90) days after its adoption.

Adopted by the Council and approved by the Mayor this 27th day of May, 1998.



Mayor

Attest:



City Recorder

EXHIBIT A

AMENDMENT TO THE
LEBANON URBAN RENEWAL AREA PLAN

Purpose of the Amendment:

This amendment is necessary to comply with amendments to ORS 457 as a result of implementation of Measure 50, a voter-approved amendment to the Oregon Constitution approved May 20, 1997.

ORS 457.190 allows each urban renewal plan existing on December 6, 1996, which provides for a division of taxes under 457.420 to 457.460, to be changed by substantial amendment not later than July 1, 1998 to include a maximum amount of indebtedness that may be issued or incurred under the plan.

In order to continue implementation of the Lebanon Urban Renewal Area Plan and projects, it is therefore necessary to include a statement of maximum indebtedness within the plan.

THE LEBANON URBAN RENEWAL AREA PLAN IS AMENDED BY ADDING THERETO AS FOLLOWS:

1. Section 1002 to Article X: Self-Liquidation of Costs of Project

“Section 1002. Maximum Amount of Indebtedness.

The maximum amount of indebtedness to be issued or incurred under this plan beyond December 6, 1996 shall not exceed \$2,995,221.”

2. To the definition of “substantial amendment” contained in Ordinance No. 2105 dated September 27, 1991 which amended the Plan:

“ - Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.”

EXHIBIT B

**AMENDMENT TO THE REPORT ON THE
LEBANON URBAN RENEWAL AREA PLAN**

**THE REPORT ON THE LEBANON URBAN RENEWAL AREA PLAN IS AMENDED BY ADDING
THE ATTACHED CAPITAL IMPROVEMENT PROJECTS EXPENDITURE PROJECTION
SCHEDULE.**

CAPITAL IMPROVEMENT PROJECTS
LEBANON URBAN RENEWAL DISTRICT
EXPENDITURE PROJECTION

By: BdStein
 Date: 3/18/98

PROJECT	ESTIMATE TOTAL	Projected 1998-99	Projected 1999-00	Projected 2000-01	TOTAL
2ND STREET BRIDGE	\$610,000	\$0	\$104,000	\$514,800	\$618,800
SOUTH MAIN ROAD (AIRPORT - CEDAR)	\$930,000	\$930,000	\$0	\$0	\$930,000
SOUTH MAIN ROAD (CEDAR - VAUGHN)	\$1,178,000	\$200,000	\$978,000	\$0	\$1,178,000
WATER TREATMENT PLANT EXPANSION	\$11,867	\$11,867	\$0	\$0	\$11,867
RESERVOIR EXPANSION	\$252,805	\$3,250	\$5,798	\$243,757	\$252,805
ASTEWATER TREATMENT PLANT EXPANSION	\$3,750	\$3,750	\$0	\$0	\$3,750
TOTALS	\$2,986,422	\$1,148,866.67	\$1,087,798.00	\$758,556.59	\$2,995,221.25

Explanatory Notes:

1 - Cost escalation factor used.