

ORDINANCE NO. 5197

ORDINANCE OF THE CITY OF ALBANY
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

The City Council (the "Governing Body") of the City of Albany, Oregon (the "Municipality"),
finds:

- A. The Municipality is a "municipality" within the meaning of Oregon Revised Statutes 285.700(1).
- B. Oregon Revised Statutes 285.700 through 285.750 (the "Act") authorizes any municipality to file an application with the Oregon Economic Development Department ("the Department") to obtain financial assistance from the Special Public Works Fund.
- C. The Municipality has filed an application with the Department to obtain financial assistance for an "infrastructure project" within the meaning of the Act.
- D. The Department has approved the Municipality's application for financial assistance from the Special Public Works Fund pursuant to the Act.
- E. The Municipality 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."
- F. 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 Municipality.
- G. Notice relating to the Municipality's consideration of the adoption of this Ordinance was published at least once in a newspaper of general circulation within the City of Albany. Such notice was published at least 14 days in advance of the adoption of this Ordinance.

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the Municipality as follows:

1. Loan Authorized. The Governing Body authorizes the Mayor 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 loan from the Department on the condition that the principal amount of the loan from the Department to the Municipality is not in excess of \$441,137 and the interest rate on such loan is not in excess of 6.5 percent. 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.
2. Security. Amounts payable by the Municipality 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 Municipality,

- b. the revenues, if any, of the Project, including special assessment revenues, if any, and
- c. the Municipality's general fund including the general revenues of the Municipality, other funds which may be available for such purpose and a pledge of the Municipality'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 Municipality to make payments pursuant to the Loan Agreement is a full faith and credit obligation of the Municipality that is not subject to annual appropriation.

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

4. Tax-Exempt Status. The Municipality covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Municipality pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Mayor of the Municipality may enter into covenants on behalf of the Municipality to protect the tax-exempt status of the interest paid by the Municipality pursuant to the Loan Agreement and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or their bond counsel to protect the tax-exempt status of such interest.

5. Reimbursement Bonds. The Municipality may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the Municipality understands that the Department may fund or reimburse itself for the funding of amounts paid to the Municipality pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Ordinance shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the Municipality's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

6. 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 this Ordinance. Therefore, this Ordinance shall be in force and effect from and after passage by the Governing Body.

Passed by the Council: August 24, 1995

Approved by the Mayor: August 24, 1995

Effective Date: August 24, 1995



Mayor

ATTEST:



Deputy City Recorder

PROJECT DESCRIPTION

City of Albany

Target Stores, Inc., has selected a 105-acre site in the Linn-Benton Business Park to construct a 650,000-square foot regional distribution facility. The business park is located in southwest Albany on Highway 99E. The facility will employ up to 300 persons and generate approximately 125 to 250 truck trips per day. Employee traffic generation is estimated to be approximately 750 vehicle trips per day. For these reasons, it is imperative that there be an adequate water supply to provide acceptable fire protection, and that roadways be constructed to accommodate the traffic movements and loadings that will result.

Water Improvements: In order to provide an adequate water supply to the site, a 12-inch water line will be extended 3,700 feet south from Belmont Avenue and then easterly to the site, connecting to an existing 12-inch water line. This will provide a looped water system to serve the site. There may be wetlands impacts for this element, and \$5,000 is included for wetlands delineation.

A 2,200-foot extension of a 16-inch water line is proposed along the easterly property line of the site, within an existing 27-foot utility easement. This line extension is not directly required to provide fire protection to the site; rather, it is for future expansion of the business park, and therefore is capacity building.

Sanitary Sewer Improvements: The site is currently served by an existing 12-inch sanitary sewer line along the north property line. According to the city's application, the developer is required to extend the 12-inch sewer line along the entire easterly property line, a distance of 2,200 feet, to accommodate future development. Again, this is capacity building and not required to serve Target Stores.

Roadway Improvements:

1. Extension of Beta Drive four lane industrial Street 300 feet west from Highway 99E, and two lanes an additional 500 feet.
2. Construct an industrial standard Cul-de-Sac at the end of existing Supra Drive.
3. Install a new traffic signal at the intersection of Beta Drive and Highway 99E with related channelization improvements. These improvements will be paid by Oregon Department of Transportation Immediate Opportunities Funds.

The above improvements will provide the Linn-Benton Business Park, and in the short term the Target Stores Distribution Center, with an acceptable water supply for fire protection, sanitary sewers, industrial standard access roads and signal-controlled access to and from Highway 99E.

SPECIAL PUBLIC WORKS FUND

Recipient: City of Albany Project No.: B95004

PROJECT BUDGET

Project Title: Linn-Benton Business Park

Activities	SPWF Grant	SPWF Loan	Interest Earnings	ODOT	Total
1. Water System Improvements a. b.	\$ 33,630	\$ 235,386	\$ 7,584		\$ 276,600
2. Sanitary Sewer Improvements a. b.	71,600	0			71,600
3. Storm Sewer Improvements a. b.					
4. Road and Bridge Improvements a. b.	220,018	75,751		\$ 264,000	559,769
5. Public Trans. & Railroad Fac. a. b.					
6. Contractual Services a. b.					
7. a. Engineering/Architectural b. Administration c. Contingencies	25,000 XXXXXXX 83,305	125,000 XXXXXXX			150,000 83,305
8. Other a. Wetlands Delineation b. c.		5,000			5,000
9. Total all Expenses	\$ 433,553	\$ 441,137	\$ 7,584	\$ 264,000	\$1,146,274

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