

RESOLUTION NO. 6119

A RESOLUTION OF THE CITY OF ALBANY, OREGON, AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT AND RELATED DOCUMENTS AND THE COMPETITIVE OR NEGOTIATED SALE AND DELIVERY OF ONE OR MORE SERIES OF FULL FAITH AND CREDIT OBLIGATIONS, WHICH MAY BE DESIGNATED AS TAX-EXEMPT AND/OR FEDERALLY TAXABLE, THE PAYMENT OF SUCH OBLIGATIONS BEING EVIDENCED IN THE FINANCING AGREEMENT AND RELATED DOCUMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND RELATED DOCUMENTS WITH THE ALBANY REVITALIZATION AGENCY; DESIGNATING AN AUTHORIZED REPRESENTATIVE OF THE CITY AND DELEGATING AUTHORITY; AUTHORIZING THE FILING OF A VALIDATION PROCEEDING; AUTHORIZING ISSUANCE OF OTHER DEBT NOTWITHSTANDING PENDING OF A PROSPECTIVE INITIATIVE MEASURE WHICH WOULD PURPORT TO LIMIT CITY DEBT TO THAT IN EXISTENCE ON FEBRUARY 28, 2012; AND RELATED MATTERS.

WHEREAS, the City of Albany ("City") is authorized by Oregon Revised Statutes ("ORS") Section 271.390, the laws of the State of Oregon and its City Charter, to enter into financing agreements, lease-purchase agreements or other contracts of purchase for any real or personal property that the City determines is needed and to provide for the issuance of certificates of participation in the payment obligations of the City under financing agreements, lease-purchase agreements or other contracts of purchase; and

WHEREAS, the City Council (the "Council") of the City of Albany, Oregon (the "City") acting as the Albany Revitalization Agency (the "Agency") is authorized pursuant to Oregon Revised Statutes ("ORS") Chapter 457 to conduct proceedings and to issue tax increment indebtedness pursuant to the terms and provisions of ORS Chapter 457 and ORS 271.390, for the purpose of financing urban renewal projects authorized under its urban renewal plan and located within the urban renewal area (each as described below); and

WHEREAS, the City enacted Ordinance No. 5496 which approved the Urban Renewal Plan (the "Plan") for the Central Albany Revitalization Area (the "Urban Renewal Area") on August 8, 2001, as that Urban Renewal Plan has been and may be amended in the future; and

WHEREAS, the Plan establishes a maximum indebtedness of Fifty-Six Million Dollars (\$56,000,000) (the "Maximum Indebtedness") to carry out the projects of the Plan, and as of the date of this Resolution the Agency has incurred \$14,491,610 of aggregated indebtedness; and

WHEREAS, the Agency currently has \$8,848,000 of outstanding indebtedness, which includes the (i) CARA Urban Renewal Revenue Bonds, Series 2007A (Tax-Exempt), issued in the original aggregate principal amount of \$2,822,000 and Urban Renewal Revenue Bonds, Series 2007B (Taxable, issued in the original principal amount of \$1,865,000 (collectively, the "2007 Bonds") and (ii) CARA Urban Renewal Revenue Note, Series 2010, evidencing obligations of the Agency under a non-revolving line of credit in an aggregate principal amount not to exceed \$5,000,000, which includes tax-exempt and federally taxable draws (the "2010 Note" and together with the 2007 Bonds, the "Outstanding Debt"); and

WHEREAS, the Agency desires to refinance all or a portion of its 2007 Bonds to achieve debt service savings, and to refinance the 2010 Note on a long term basis, and has requested that the City enter into a loan agreement (the "Loan Agreement"), with the Agency, pursuant to which the City would agree to facilitate the refunding of the Outstanding Debt for the Area through a loan of proceeds received by the City from the sale and delivery of one or more series of full faith and credit obligations, any series of which may be offered on a tax-exempt or federally taxable basis (collectively, the "CARA Obligations"); and

WHEREAS, pursuant to the Loan Agreement, the Agency will be obligated to provide urban renewal tax increment revenues (the "Tax Increment Revenues") from the Urban Renewal Area to the City for payment of principal of and interest on the CARA Obligations; and

WHEREAS, the City is contractually bound to complete certain projects related to the Oak Street Local Improvement District (the "LID Project") as provided in the City Engineer's Report adopted as part of City Resolution No. 5911, on or before April 30, 2013 pursuant to the terms of an Infrastructure Funding Agreement, attached hereto as *Exhibit A*; and

WHEREAS, it is in the best interests of the City to finance all or any portion of the City's obligations related to the LID Project through loan of proceeds received by the City from the sale and delivery of one or more series of full faith and credit obligations, any series of which may be offered on a tax-exempt or federally taxable basis (collectively, the "LID Obligations" and together with the CARA Obligations, the "Obligations"); and

WHEREAS, it is in the best interests of the City to authorize the execution and delivery of one or more financing agreements (collectively, the "Financing Agreement"), and such other documents, which may include an escrow agreement with an escrow agent selected by the City if the Obligations are Publicly Offered (as defined below) and other related financing documents (together the Financing Agreement and such other related financing documents, collectively, the "Financing Documents"), that provide the terms for the execution, delivery and sale of the Obligations in the form of certificates of participation in the Financing Agreement; and

WHEREAS, the City intends to use the proceeds received under the Financing Agreement for the purpose of financing or refinancing of all or a portion of the following projects (collectively, the "Project");

- (1) financing all or any portion of the costs of the LID Obligations;
- (2) the portion of the proceeds received under the Financing Agreement attributable to the CARA Obligations will be loaned by the City to the Agency pursuant to the Loan Agreement for the purpose of (a) refunding, on a current or advance basis, all or a portion of the Agency's 2007 Bonds if, under current market conditions, such refunding would provide debt service savings, and (b) refinancing the 2010 Note and extending the maturity date;
- (3) fully funding a debt service reserve account, if required; and
- (4) paying the costs of issuance of the Obligations; and

WHEREAS, the City deems it necessary to authorize the sale, issuance and delivery of one or more series of full faith and credit obligations, any series of which may be offered on a tax-exempt or federally taxable basis, in an aggregate principal amount not to exceed the amount required to finance or refinance the Project; and

WHEREAS, a prospective initiative measure was filed with the City on March 13, 2012, a copy of which is attached hereto as *Exhibit B* (the "Initiative Petition"), which proposes to amend the City Charter to limit City debt to that in existence on February 28, 2012; and

WHEREAS, the City Initiative Petition proposes retroactive debt restrictions not presently in effect; and

WHEREAS, until such time as the City Initiative Petition becomes law, if ever, the City needs to incur debt in connection with customary City business including, by way of example issuing debt obligations to finance the Project as described herein; and

WHEREAS, in addition to the City Initiative Petition, another prospective initiative measure was filed with the City on February 23, 2012, a copy of which is attached hereto as *Exhibit C* (the "CARA Initiative Petition"), which proposes to amend the City Charter to repeal the existing Maximum Indebtedness amount established under the Plan and proposes to limit debt of the Urban Renewal Area to that in existence on February 28, 2012; and

WHEREAS, the CARA Initiative Petition proposes retroactive debt restrictions not presently in effect; and

WHEREAS, until such time as the CARA Initiative Petition becomes law, if ever, the Agency needs to incur debt in connection with customary Agency business including, by way of example, executing and delivering the Loan Agreement with the City to refinance the Outstanding Debt as described herein; and

WHEREAS, the Agency pursuant to its ARA Resolution No. 2012-___ (the "Agency Resolution") has requested the City include matters related to the Loan Agreement and the CARA Initiative Petition in any action filed by the City to pursuant to ORS 33.710, for the purpose of obtaining a judicial validation; and

WHEREAS, before proceeding with the execution and delivery of the Financing Agreement and sale, issuance and delivery of one or more series of full faith and credit obligations to finance the Project and the execution and delivery by the City of the Financing Documents and the Loan Agreement on the advice of its counsel, the City intends to commence a proceeding in the Circuit Court of Linn County, Oregon pursuant to ORS 33.710, for the purpose of obtaining a judicial validation of, among other things:

(1) the proceedings of the City providing for and authorizing the sale, issuance and delivery of one or more Financing Agreements and related Financing Documents, one or more series of full faith and credit obligations and the funding of the Project;

(2) the proceedings of the Agency providing for and authorizing the execution and delivery of the Loan Agreement and related documents and authorizing the prepayment and defeasance of all or a portion of the Outstanding Debt of the Urban Renewal Area;

(3) the validity and enforceability of the Financing Documents, the Loan Agreement and other related documents with respect to the Project, including documents executed and delivered by the City and documents executed and delivered by the Agency;

(4) the authority of the Council to adopt this Resolution and future Resolutions authorizing the issuance or incurrence of other debt obligations secured by the full faith and credit of the City pursuant to the City Charter and applicable provisions of Oregon law, including ORS 271.390 and ORS Chapter 287A (the "Act") without a vote of the electors of the City;

(5) the authority of the Board of the Agency to adopt resolutions authorizing the issuance or incurrence of other debt obligations secured by the tax increment revenues of the Urban Renewal Area pursuant to the applicable provisions of Oregon law, including ORS 271.390 and ORS Chapter 457; and

(6) this Resolution (collectively, the "Validation"); and

WHEREAS, the City adopts this Resolution pursuant to the Act to provide for and authorize (i) the terms of one or more Financing Agreements and related Financing Documents, (ii) the terms under which the Obligations may be offered for sale through a negotiated sale or through a public competitive sale process and the Financing Documents related thereto; (iii) the terms under which the Obligations may be issued, subject to market conditions and debt service savings to the City; (iv) the terms of execution, delivery and sale of the Obligations, in one or more series, evidencing and representing the payment obligations of the City under the Financing Documents; (v) certain officials and employees of the City to take action on the City's behalf and to execute and deliver the Financing Documents; and (vi) the Validation.

NOW, THEREFORE, BE IT RESOLVED by the City of Albany as follows:

Section 1. Authorization of the Obligations and Related Agreements.

(a) The City authorizes the execution and delivery of the Financing Documents. The City authorizes the execution and delivery of the Obligations, in one or more series, any series of which may be designated as tax-exempt or federally taxable, in an aggregate principal amount not to exceed the amount necessary to finance or refinance the Project, as determined by the Authorized Representative.

(b) The proceeds of the CARA Obligations received by the City pursuant to the terms of the Financing Documents shall be used to make a loan the Agency, pursuant to the Loan Agreement.

(c) The true interest cost of the Obligations shall not exceed five percent (5%) per annum for any such Obligations issued on a tax-exempt basis, and six percent (6%) per annum for any such Obligations issued on a federally taxable basis.

(d) The Obligations shall be subject to a book-entry only system of ownership and transfer to the extent provided in the Financing Documents.

(e) The remaining terms of the Obligations and the Financing Documents relating to the sale, execution and delivery of the Obligations shall be established as provided herein and as otherwise set forth in the Financing Documents.

Section 2. Designation of Authorized Representative. The City Council designates each of the City Manager, the Finance Director, or their designee (each an "Authorized Representative"), to act on behalf of the City and determine the remaining terms of the Obligations to be established as set forth in this Resolution.

Section 3. Pledge of Revenues; Payment.

(a) The Obligations are not general obligation bonds of the City. The City pledges its full faith and credit and taxing powers to the repayment of the payments due under the Financing Agreement evidencing the principal and interest components of one Obligation as contemplated by ORS 287A.315, or any successor statute. Payment of the principal and interest components of the Obligations as evidenced by the Obligations of the City under the Financing Agreement may be from the City's general non-restricted revenues and other funds that are lawfully available for that purpose and revenues from an ad valorem tax authorized to be levied under the City's permanent rate limit under sections 11 and 11b, Article XI of the Oregon Constitution, and revenues derived from other taxes, if any, levied by the City in accordance with and subject to limitations and restrictions imposed under applicable law or contract, that are not dedicated, restricted or obligated by law or contract to an inconsistent expenditure or use. The Registered Owners of the Obligations do not have a lien or security interest on the projects financed or refinanced with proceeds of the Obligations.

(b) The City will loan the portion of the proceeds attributable to the CARA Obligations to the Agency pursuant to the Loan Agreement. The Loan Agreement shall obligate the Agency to pledge its Tax Increment Revenues to the City and to timely provide Tax Increment Revenues to the City in an amount sufficient to repay the loan of Bond proceeds, including without limitation, the payment of all principal and interest outstanding on the CARA Obligations and all costs incurred by the City in connection with the issuance of the CARA Obligations (collectively, the "Loan Payments"). The City expects to apply the Loan Payments received from the Agency to the payment of principal and interest on the CARA Obligations.

Section 4. Method and Procedures for Sale.

(a) The City authorizes the Obligations to be sold directly to one or more bank(s) ("Bank Sale") or publicly offered by competitive or negotiated sale ("Publicly Offered"). Unless the context clearly requires otherwise, all provisions of this Resolution shall apply to the Obligations without regard to the method of sale.

(b) The Authorized Representative shall establish the method of sale of the Obligations. If the Obligations are Publicly Offered and sold pursuant to a competitive sale, the Authorized Representative shall cause an official notice of sale (the "Notice") to be published electronically prior to the sale date stated in the Notice. For a competitive sale, bids to purchase the Obligations shall be received and reviewed on the date specified by the Authorized Representative in the Notice or upon such later date

determined by the Authorized Representative if the sale is postponed based on market or other conditions. The Authorized Representative is authorized, on behalf of the City, to accept or reject the bids for the Obligations. The Authorized Representative may postpone the sale of the Obligations to a later date, cancel the sale based upon market conditions or, alternatively, enter into a Publicly Offered negotiated sale of the Obligations or a Bank Sale of the Obligations to a Bank, pursuant to terms determined and approved by the Authorized Representative and as authorized by this Resolution.

(c) All other terms and conditions for the execution, sale and delivery of the Obligations, whether through a Bank Sale or Publicly Offered shall be established as provided herein.

Section 5. Form of Obligations. The Obligations shall be prepared in book-entry only form by Special Counsel in substantially the form approved by the Authorized Representative and the Escrow Agent. The Obligations may be printed or typewritten. The obligations shall be subject to authentication, registration, payment, exchange and transfer as provided in the Financing Documents.

Section 6. Optional and Mandatory Prepayment. Amounts payable by the City under the Financing Agreement and amounts payable under the Obligations may be subject to optional prepayment and mandatory prepayment prior to stated principal component payment dates as determined by the Authorized Representative pursuant to Section 8.

Section 7. Tax-Exempt Status and Covenant as to Arbitrage. The provisions of this Section 7 apply to any series of Obligations designated as tax-exempt.

(a) The City covenants to use the proceeds of any Financing Agreement and the Project financed with the proceeds of such Financing Agreement, and to otherwise comply with the provisions of the Internal Revenue Code of 1986 (the "Code") so that the interest components paid pursuant to the Obligations will not be includable in gross income of the Registered Owners of such Obligations for federal income tax purposes. The City specifically covenants:

(i) To comply with "arbitrage" provisions of Section 148 of the Code, and to pay any required rebates and penalties; and

(ii) To operate the facilities financed or refinanced with the proceeds of the Obligations so that the Obligations are "private activity bonds" under Section 141 of the Code; and

(iii) To comply with all reporting requirements.

(b) The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the interest components of any series of Obligations designated as tax-exempt.

Section 8. Delegation for Establishment of Terms and Sale of the Obligations. Each Authorized Representative, acting singly, is authorized and directed, on behalf of the City without further approval of the City Council to:

(a) Establish series designations, including determining the offering of any series as tax-exempt or federally taxable, the principal amount, the principal and interest component payment dates, principal component amounts, optional and mandatory prepayment provisions, if any, interest component amounts, premium and/or discount, if any, denominations and all other terms for the Financing Agreement, the other Financing Documents and the Obligations;

(b) Establish the method of sale of the Obligations as authorized in Section 4, and if the Obligations are sold on a negotiated basis, negotiate, execute and deliver a bond purchase contract in the form approved by the Authorized Representative and other necessary agreements, certificates or sale documents, or if the Obligations are sold by public competitive sale, approve the final form of and cause the Notice for a competitive sale, substantially in the form approved by an Authorized Representative to be published electronically; award the successful bid or reject the bids for the Obligations, consistent with the provisions of this Resolution;

(c) Make any covenants necessary or desirable to obtain good financing terms on the Obligations with respect to the pledge of the City's full faith and credit to secure the Obligations;

(d) Negotiate the terms of, and execute and deliver the Financing Agreement, and any other Financing Documents and the Loan Agreement;

(e) Obtain ratings on the Obligations if determined by the Authorized Representative to be in the best interest of the City and expend Obligation proceeds to pay for the ratings;

(f) Approve the form of the Obligations and take actions necessary to qualify the Obligations for the book-entry system of The Depository Trust Company ("DTC");

(g) If necessary in connection with the selected method of sale:

(i) approve, execute and deliver a Continuing Disclosure Certificate pursuant to the Securities and Exchange Commission Rule 15c2-12;

(ii) Approve and authorize the preparation and distribution of preliminary and final official statements relating to the Obligations;

(h) Approve, execute and deliver closing documents and certificates relating to the sale of the Obligations and the execution and delivery of the Financing Documents;

(i) Enter into covenants regarding the use of the proceeds of the Obligations received by the City pursuant to the Financing Agreement and the use of the Project to maintain the tax-exempt status of the Obligations; and

(j) Execute and deliver a certificate specifying the actions taken pursuant to this Section 8, and any other certificates, documents or agreements that an Authorized Representative determines are desirable to execute and deliver the Financing documents and to sell and deliver the Obligations in accordance with this Resolution.

Section 9. Defeasance. The City may defease all or any portion of the Obligations pursuant to the terms set forth in the Financing Documents.

Section 10. Authority to Issue Debt During the Pendency of the Initiative Measure. Notwithstanding any term of the Initiative Measure, including any set forth in *Exhibit B* hereto, the City may issue or incur debt subject to confirmation of such authority in the validation order entered by the court for the following purposes in conformance with the provisions of the Act in effect at the time the debt is issued:

- (a) financing of the Project;
- (b) financing of public improvement projects; and
- (c) periodic issuance or incurrence of debt in conformance with the Act.

Section 11. Appointment of Counsel and Financial Advisor. The City hereby appoints Orrick, Herrington & Sutcliffe LLP of Portland, Oregon, as special counsel to the City with respect to the Financing Agreement and the Obligations and Seattle-Northwest Securities Corporation, as Financial Advisor to the City with respect to the Obligations. The City hereby appoints Long Delapoe Healy McCann & Noonan PC ("City Counsel") to serve as counsel to the City in connection with the Validation.

Section 12. Continuing Disclosure for Obligations if Publicly Offered. If the Obligations are Publicly Offered, the City shall undertake in a Continuing Disclosure Certificate for the benefit of registered Owners to provide to the Municipal Securities Rulemaking Board (the "MSRB") on an annual basis on or before nine months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2011, the information necessary to comply with the requirements of the Rule. In addition, the City will undertake for the benefit of the registered Owners to provide in a timely manner to the MSRB notices of certain material events required to be delivered pursuant to the Rule.

Section 13. Validation Proceeding. The Authorized Representative is authorized and directed to sign documents, direct proceedings and take any necessary or desirable action in connection with obtaining the Validation from the Circuit Court of Linn County, Oregon as necessary to seek clarification from the court concerning matters related to the issuance or incurrence of debt by the City as described herein and by the Urban Renewal Area as described in the Agency Resolution.

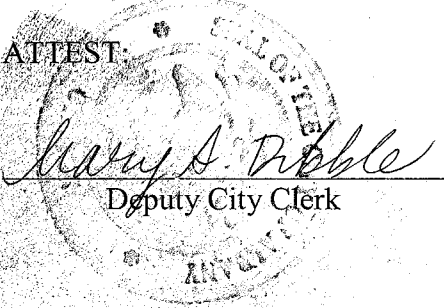
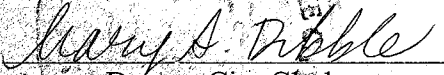
Section 14. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Obligations by the Owners, the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners pursuant to ORS 287A.315 and ORS 287A.325, or any successor statute. The covenants, pledges, representations and warranties contained in this Resolution, or in the closing documents executed in connection with the Obligations, including without limitation the City's covenants and pledges contained in Section 3 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 15. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the Council.

DATED AND EFFECTIVE THIS 25th DAY OF APRIL 2012.


Mayor

ATTEST:



Deputy City Clerk

RESOLUTION NO. 5911

A RESOLUTION FOR THE ADOPTION OF ENGINEERING AND FINANCIAL INVESTIGATION REPORTS, AUTHORIZATION TO SECURE EASEMENTS AND RIGHT-OF-WAY, TO OBTAIN BIDS, AND TO ISSUE DEBT FOR THE CONSTRUCTION OF ST-09-03, OAK STREET LOCAL IMPROVEMENT DISTRICT.

WHEREAS, the City Council held a public hearing regarding the Engineer's Report at the May 12, 2010, City Council Meeting and the formation of a Local Improvement District for the improvements of Oak Street; and

WHEREAS, the City Council directed that staff proceed with an assessment methodology developed by the Lowe's development team and said methodology is set forth in the Engineer's Report dated June 3, 2010.

NOW THEREFORE BE IT RESOLVED that in the Engineer's Report of the Public Works Director dated June 3, 2010, and the Financial Investigation Report of the Finance Director filed with the City Recorder on January 21, 2010, concerning ST-09-03, Oak Street Local Improvement District, are hereby adopted.


BE IT FURTHER RESOLVED that, upon negotiations and execution of the agreements and commitments identified in the above referenced Engineer's Report to the satisfaction of the City Manager and City Attorney, the Council authorizes the Mayor and City Recorder to sign agreements on behalf of the City of Albany for the purpose of obtaining easements and right-of-way to construct the said improvements, direct the City Manager to obtain bids for the construction of said projects as required by law, and authorize the Mayor and City Recorder to make, issue, and negotiate debt to finance the design and construction of the improvements.

DATED AND EFFECTIVE THIS 9TH DAY OF JUNE 2010.



Mayor

ATTEST:



City Clerk



TO: Albany City Council

VIA: Wes Hare, City Manager
Diane Taniguchi-Dennis, P.E., Public Works Director

FROM: Mark W. Shepard, P.E., Assistant Public Works Director / City Engineer *MWS*
James Delapoer, City Attorney *JLD*

DATE: June 3, 2010, for the June 9, 2010, City Council Meeting

SUBJECT: ST-09-03, Oak Street Local Improvement District (LID)

RELATES TO STRATEGIC PLAN THEME: • Great Neighborhoods
• Effective Government

Action Requested:

At the May 12, 2010, City Council Meeting, Council directed staff to bring back an Engineer's Report and Resolution for the formation of a Local Improvement District (LID) for the improvement of Oak Street between Pacific Boulevard and Queen Avenue.

Discussion:

Scope of Improvements

Council chose to direct the formation of an LID that would complete an extension of Oak Street between Pacific Boulevard and Ninth Avenue and provide for the improvement to Oak Street between Ninth Avenue and Queen Avenue to full urban standards. The total estimated project cost is \$5,055,000.

Assessment Methodology

The LID boundary and assessment methodology have been modified in accordance with the direction given by Council at the May 12, 2010, Council Meeting.

The boundary of the district for road improvements includes only the Kinder Park Property, the Lowe's team properties, and the Ping's Restaurant property. Attachment 1 is a map showing the LID boundary.

The project costs will be assessed by agreement of the parties within the LID boundary. The plan developed by the Lowe's development team and approved by Council splits the assessment methodologies into two parts. One methodology will govern the costs associated with the punch through and another methodology will govern the work between Ninth Avenue and Queen Avenue.

Punch Through: The punch through improvement is estimated to cost \$2,618,000. For the punch through improvements, the City will contribute \$2,100,000 (81%) in Transportation System Development Charges (TSDC) funds to the project. The City will also contribute an additional \$83,740 (3%) in other funding. The remaining cost will be paid by the Lowe's group (Lowe's, Consers, and Perlenfeins). The estimated contribution from the Lowe's development properties is \$434,260 (16%). The Lowe's methodology does not attribute the Lowe's payment to specific properties, but is a payment from the Lowe's Development Team. Neither the City nor the methodology dictates how the Lowe's group apportions this cost. It is assumed the Lowe's group apportions this cost in accordance with an internal agreement.

Albany City Council

Page 2

June 3, 2010, for the June 9, 2010, City Council Meeting

The Perlenfein property that will be purchased for use as right-of-way for the punch through has been the subject of a DEQ-regulated cleanup for contamination, and there is a realistic risk of encountering contaminated soil during construction of the improvements.

The City has agreed to purchase the punch through right-of-way property for the asking price. This price reflects property that is free from additional remediation and construction costs due to soil contamination. In order to ensure no one else is burdened by these costs, the property seller has agreed to hold the City harmless for any costs the project incurs associated with contamination on the site. If contamination is encountered during design or construction, the property owner will be given an opportunity to clean up the contamination at its cost. They will also be responsible for any costs the project incurs for contractor down time or other costs related to contamination found on the property. As noted later in the memorandum, a purchase contract will provide the specifics of the responsibilities related to contamination encountered on the property.

Oak Street – Ninth Avenue to Queen Avenue: The street project cost for the improvements to Oak Street between Ninth Avenue and Queen Avenue is estimated to cost \$2,180,000. The City will pay 65% of the costs with TSDCs. This contribution is estimated to be \$1,417,000. The City will contribute an additional lump sum of \$195,270 (9%) above and beyond the TSDC payments. This lump-sum payment represents an estimate of what the Sadri/Grazul, Glasser, and partial church assessments would have been under the Lowe's methodology if the properties had been included in the LID. The Lowe's group will pay a lump sum of \$31,776 (1.5%). This lump-sum payment represents an estimate of a portion of what the assessments would have been for the church under the Lowe's methodology if the property had been included in the LID.

The balance of the project costs after the contributions above will be assessed to the Kinder Park Property and the Lowe's property based on an average of an area assessment and a frontage assessment. The assessment against the park is estimated to be \$312,800 which represents 14% of the project costs. The Lowe's site properties assessments are estimated to be \$229,800 which represents 10.5% of the project costs.

The Ping's restaurant will be assessed a flat \$10,000 as a contribution for water line improvements. The remainder of the water line costs (\$247,000) will be paid for by the City. The Ping's Restaurant property will not be assessed for any street improvements. However, the property owner has agreed to donate any right-of-way at no cost required for the improvements.

An assessment roll showing the estimated total project costs and assessments is included as Attachment 2. Under the Lowe's proposed methodology approved by Council, the City will be contributing an estimated \$4,355,800 to this project which is 86% of the total project costs. The Lowe's development team is contributing \$699,200 which is 14% of the project costs.

Sources of City Funding

TSDC Funding: The majority of the City contribution for this project will be TSDC funds. Under the proposed methodology, \$3,517,000 in TSDC funds will be used for this project. The current TSDC reserve balance is approximately \$6 million. Applying the TSDC funds to this project will use 59% of the current balance of TSDC funds and leave a balance of \$2,483,000 in the TSDC fund for other projects.

Additional City Contribution: Under the methodology approved by Council, the City is contributing \$279,000 in addition to the \$3,547,000 in TSDC funds to the project. A funding

Albany City Council

Page 3

June 3, 2010, for the June 9, 2010, City Council Meeting

source for this contribution has not been identified. The final decision on how to fund this contribution does not need to be made until the final project assessments, which are anticipated in late calendar year 2011. However, earlier Council direction will help staff plan and budget capital expenditures in the interim. There are several options available to Council for funding this obligation. There is not adequate funding available in the Street Capital and Restoration Fund to provide for the City contribution. Following is a brief discussion of potential funding sources.

1. SVC Litigation Settlement – At the May 12, 2010, Council Meeting, a councilor asked that the proceeds that the City received as settlement in the SVC litigation be considered as a source for the required funding. The City received approximately \$18.2 million in the settlement. Council has directed that discussion of the use of these funds be delayed until July. There are no restrictions on these funds, so they are available for use on this project should Council choose to do so. However, use of these funds for this project does not provide for a larger citywide benefit.
2. General Fund Money – Council can choose to use General Fund money. However, the General Fund is constrained due to the current economic strain on the City budget.
3. STP Funds – The City receives an annual allotment of STP exchange funds from ODOT for use on street improvement projects. The annual allotment varies with population and available funding, but it has averaged approximately \$400,000 recently. In the past the City has pooled multiple years of these funds in order to complete larger street projects. An example of a project completed with these funds is the Waverly Drive reconstruction between Grand Prairie and 36th Avenue that was completed a couple years ago. The Jackson Street reconstruction project identified in the CIP for 2012/2013 is anticipated to be funded with STP funds. Use of STP funds on Oak Street could delay the Jackson Street project one year to 2013/2014.

Kinder Park Assessments: Under the approved assessment methodology, it is estimated the Parks Department will be assessed \$312,800. There is no identified funding for payment of this assessment. The Parks Department will need to finance the payment of this assessment over a 10-year period. Parks will need to look for annual project savings over the finance period in order to make the annual payments on this assessment.

Street Project Cost Savings/OVERRUNS

Projects are not usually completed for the exact cost estimated in the Engineer's Report. Staff has negotiated with the Lowe's development group regarding how project savings or over runs will be handled for the street project. If the final project costs are less than estimated, the TSDC contribution will be reduced by the percentage the project is under the estimate. The remaining project savings will be equally shared between the assessed properties. Following is an example of how savings would be distributed if the project is completed for a cost of \$4,318,200 (10% below the estimate).

Original Estimate	\$ 4,798,000
Actual Cost (10% lower)	\$ 4,318,200
Total Project Savings	\$ 479,800
10% reduction in TSDC contribution	\$ 351,700
Remaining Savings Balance to distribute	\$ 128,100
Lowe's Savings	\$ 64,050
City Savings	\$ 64,050

Albany City Council

Page 4

June 3, 2010, for the June 9, 2010, City Council Meeting

If the project costs are higher than estimated, the project costs above the Engineer's Report estimate will be shared equally between the assessed properties. Since the TSDC funds are capped by the TSP and SDC methodology, TSDC contributions cannot be increased above the maximum. Following is an example of how cost increases would be distributed if the project is completed for a cost of \$5,277,800 (10% above the estimate).

Original Estimate	\$ 4,798,000
Actual Cost (10%)	\$ 5,277,800
Total Project Over	\$ 479,800
Lowe's Additional Participation	\$ 239,900
City's Additional Participation	\$ 239,900
Increase in TSDC participation	\$ 0

Remaining Agreements and Commitments

On June 2, 2010, staff conducted lengthy negotiations with representatives of the Lowe's Development Team and their attorneys concerning a number of details and refinements which must be incorporated into binding agreements before right-of way purchase and construction.

Indemnification Agreement. As noted above, the methodology envisions an indemnification agreement between the owners of the punched-through right-of-way (Perlenfeins) and the City. That indemnification agreement will require that the property owners agree to personally hold the City harmless from any remediation costs resulting from past contamination (if any). The City will also be protected from extra costs associated with delays in construction which result from contamination as well as claims of liability for violation of any laws applicable to public contracts in the event that the property owners elect to perform the required remediation themselves.

Lowe's Infrastructure Funding Agreement. Lowe's has agreed to enter into an Infrastructure Funding Agreement with the City regarding the proposed improvements. The agreement will cover commitments of Lowe's and the City regarding completion of improvements and opening of a store. The agreement will call for substantial liquidated damages in the event that Lowe's does not build the store as promised and will also obligate the City to pay damages to Lowe's if the City unreasonably delays completion of any infrastructure required for Lowe's opening and thereby cause Lowe's delay damages.

Acceptance of Assessment Methodology. The Lowe's Development Team members (Perlenfeins, Consers, and Lowe's) will be required to acknowledge their consent to the assessment methodology set forth in this report before the City proceeds further.

The City Attorney and City Manager must be satisfied with all terms of the agreement before the City will be obligated to proceed further.

Timing Considerations

Upon satisfactory execution of the agreements above, the City will begin project design including progression analysis. Lowe's has advised City staff that issuance of the necessary ODOT access permits is a requirement for final property purchase. If the City performs design work and Lowe's thereafter fails to purchase the required property, the LID will be terminated. The design work will still have value for the property owners in their subsequent development efforts and the

Albany City Council

Page 5

June 3, 2010, for the June 9, 2010, City Council Meeting

City's costs in preparing the design and progression analysis shall be assessed to the owners of the proposed Lowe's site.

Upon Lowe's purchase of the proposed site, the obligations of the infrastructure funding agreement will mature. At this point, the City will complete the purchase of the Perlenfein property subject to the terms of the indemnification. The purchase agreement will require Perlenfein to clear the purchased right-of-way at their own cost. The timing of the City's purchase will be a determining factor in the timing of the City's commitment to complete infrastructure improvements. The City will not be obligated to advertise for construction bids or incur any other expenses until the right-of-way site has been cleared of improvements and the infrastructure funding agreement has obligated Lowe's to completion of the project.

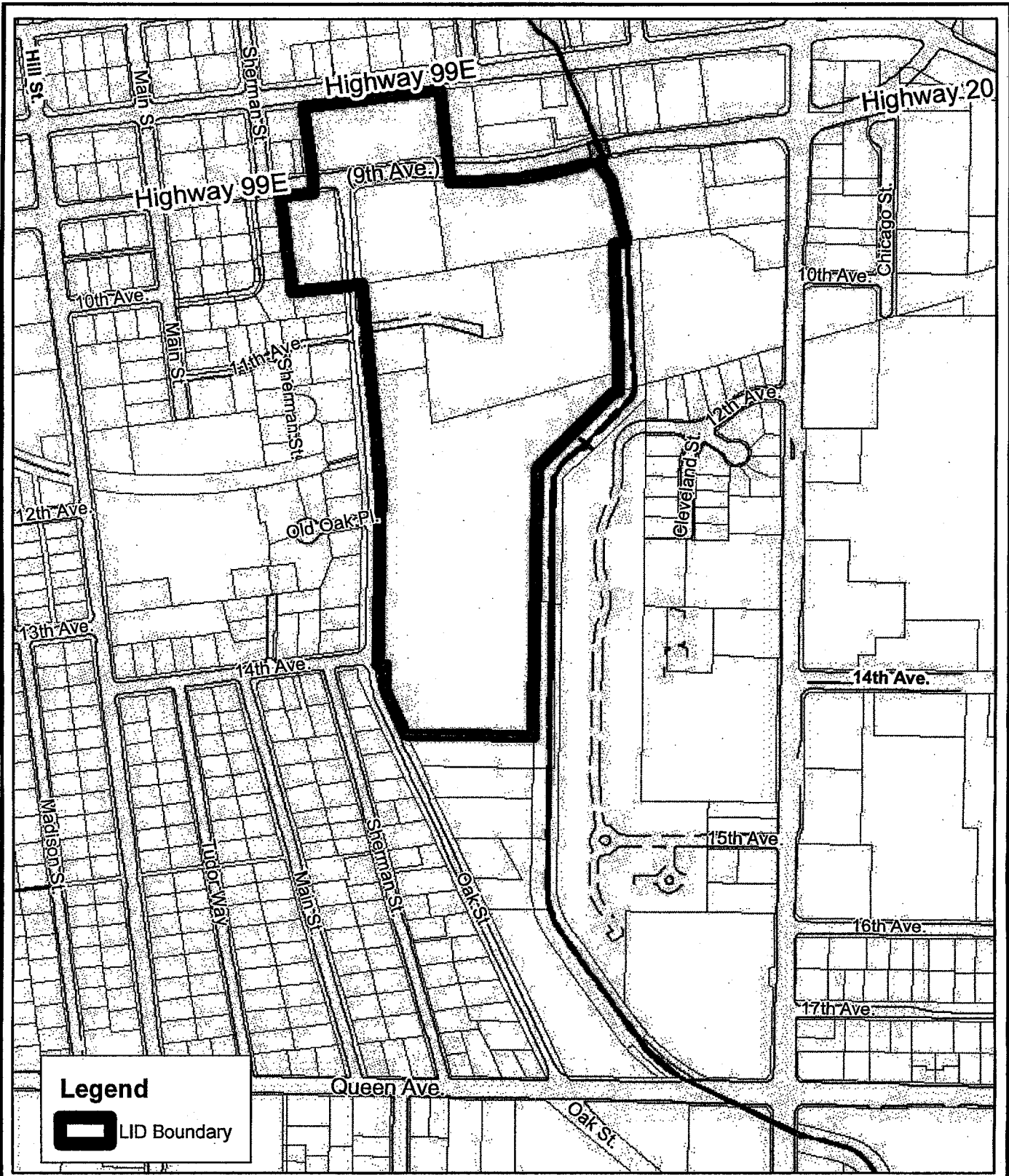
Budget Impact:

The approved method for paying for this project will require an estimated \$4,379,200 in total funds from various City sources. Following is a breakdown of the funding sources.


Fund Name	Fund Number	Estimated Amount
Transportation SDC Projects	250-50-2702	\$ 3,517,000
Parks SDC Projects		\$ 312,800
Other City Funding for Streets	TBD	\$ 279,000
Water System Capital projects	615-50-2308	\$ 247,000
Total		\$ 4,355,800


The remaining balance of the project costs of \$699,200 will be paid by properties in the LID.

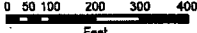
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Attachments (2)



Oak Street Local Improvement District - Potential Boundary

 The City of Albany's information records, drawings, and other documents have been prepared under contract, using existing standards or quality control, documentation, and verification. All the information provided represents current information to a readily available format. While the information provided is generally believed to be accurate, occasionally this information proves to be incorrect, and thus the City is not responsible. Prior to making any property purchases or other investments based in full or in part upon the information provided, it is specifically advised that you independently verify the information contained within our records.

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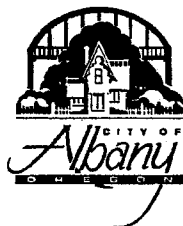
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City of Albany - 333 Broadalbin St. SW, Albany, Oregon 97321 (541) 917-7676

Attachment 1

Methodology: TRIP GENERATION		INITIAL ENGINEER'S REPORT ASSESSMENT CALCULATION SHEET							CITY OF ALBANY	
Name	Assessor's Map and Tax Lot	Water Assmt	Street Area (Acre)	Street Area Assessment	Street Frontage (feet)	Frontage Assessment	Street Average Assessment	Total Estimated Assmt	ST-09-03, Oak Street LID Estimated Assessments December 2009	
									NET ASSESSABLE COSTS	
ALBANY CITY OF	11S03W08BC01400		11.97	\$271,262.98	1,119.58	\$354,304.66	\$312,783.82	\$312,783.82	Total Water Costs	\$257,000.00
BARRETT BROS	11S03W08BB04200		0.00	\$0.00	0.00	\$0.00	\$0.00	\$0.00	City Funding (Water)	\$247,000.00
J CONSER & SONS LLC	11S03W08BC01201		1.61	\$36,485.66	150.99	\$47,783.47	\$42,134.57	\$42,134.57	Net Water to assess	\$10,000.00
J CONSER & SONS LLC	11S03W08BC01202		4.68	\$106,057.70	0.00	\$0.00	\$53,028.85	\$53,028.85		
J CONSER & SONS LLC	11S03W08BC01300		0.51	\$11,557.57	190.00	\$41,140.81	\$26,349.19	\$26,349.19	Oak Street Extension	\$2,618,000.00
KILLEN RANDY, SABRA	11S03W08BC01000		3.10	\$70,251.90	0.00	\$0.00	\$35,125.95	\$35,125.95	City Participation (TSDC)	\$2,100,000.00
LEE CHUNG PING, LAI KUEN	11S03W07AD00100	\$10,000.00	0.00	\$0.00	0.00	\$0.00	\$0.00	\$10,000.00	Lowe's Property Group	\$434,258.00
PERLENFEIN PHYLLIS I, EDWARD R TR	11S03W08BC01100		1.78	\$40,338.19	293.00	\$92,725.06	\$66,531.62	\$66,531.62	Other City Participation	\$83,742.00
TOTALS									Net Remainder to Assess	\$0.00
									Oak St 8th to Queen	\$2,180,000.00
									City Participation (TSDC)	\$1,417,000.00
									Other City Participation	\$195,270.00
									Lowe's Property Group	\$31,776.00
									Net remainder to Assess	\$535,954.00
									Total Assessable Costs	\$545,954.00
									UNIT ASSESSMENTS	
									Oak Street Water	
									Est. Net Cost	\$10,000.00
									Oak Street 8th to Queen	
									Est. Net Cost	\$535,954.00
									Acres	23.650
									Assessment per Acre	\$22,861.90
									Frontage	1,693.55
									Assessment per foot	\$316.47



TO: Albany City Council

VIA: Wes Hare, City Manager
Diane Taniguchi-Dennis, P.E., Public Works Director *Diane Taniguchi-Dennis*

FROM: Mark W. Shepard, P.E., Assistant Public Works Director / City Engineer *MWS*
Jeff Woodward, P.E., Civil Engineer II *JW*

DATE: January 21, 2010, for the February 10, 2010, City Council Meeting

SUBJECT: ST-09-03, Oak Street Improvements Local Improvement District (LID)
Initial Engineer's Report and Financial Investigation

RELATES TO STRATEGIC PLAN THEME: • Great Neighborhoods
• Effective Government

Action Requested:

Staff requests that Council pass the attached resolution adopting this Engineer's Report and accompanying Financial Investigation. The resolution forms the Local Improvement District (LID) and authorizes staff to proceed with design, bidding, and construction of this project.

Discussion:

The following Engineer's Report reflects the direction provided by Council at multiple Council Meetings.

Background

On January 28, 2009, Council authorized staff to initiate an Engineer's Report regarding the formation of an LID for the improvement of Oak Street between Ninth Avenue and Queen Avenue.

Staff developed a project scope and cost estimate for the project, with a map of the potential LID boundary as shown on Attachment A. This LID is somewhat unique due to the varied land uses associated with the properties inside the LID boundary, including single family homes, multifamily properties, a park, and community commercial property. Staff considered multiple assessment methodologies for the LID in an effort to develop an equitable distribution of the costs to improve Oak Street.

Staff held a neighborhood meeting on March 10, 2009, to discuss the project and present the proposed assessment methodology. There was a good turnout at the meeting with 23 people in attendance, representing all of the different property types in the LID. At the neighborhood meeting, staff presented a methodology and estimated assessments based on trip generation. Two main concerns were evident at the meeting. The first concern was the amount of City participation that would be contributed to the project, due to the City receiving \$376,300 from Linn County for taking over jurisdiction of this section of the roadway in 1990. Although all the funds the City received from Linn County have been expended, it was expected the City should participate based on the funds received from Linn County. The second concern was that the trip generation assessment methodology was developed in an effort to minimize the assessment levied against Kinder Park, with a desire to have other methodologies considered.

In response to the concerns raised at the neighborhood meeting, staff reported at the April 6, 2009, City Council Work Session, explaining the outcome of the neighborhood meeting and presenting five methodologies for consideration. The following table identifies the five methodologies discussed and the characteristics of each of the methodologies.

Albany City Council

Page 2

January 21, 2010, for the February 10, 2010, City Council Meeting

	Methodology	Characteristics
1	Trip Generation	Acknowledges varying land uses and benefits of those land uses. Apportions project costs based on trip generation.
2	Lot Frontage	Does not recognize higher use properties gaining greater benefit. Assessments based entirely on property frontage on Oak Street. Assessments high for residential properties.
3	Lot Area	Does not recognize higher use properties gaining greater benefit. Assessments based entirely on property area.
4	Zoning	This methodology distributes assessments based on area, but is weighted by property zoning.
5	Residential/Collector Street Cost Separation	This methodology would have all properties pay their proportional share of a residential street based on lot frontage. The incremental cost to make the street a collector street would be borne by non-residential properties. Assessments high for residential properties.

After the discussions at the April 6 Work Session, Council directed staff to move forward with the trip generation methodology. The trip generation methodology for distribution of assessments was affirmed by Council at the October 14 and 28, 2009, Council Meetings as well as the December 16, 2009, Council Meeting.

Due to issues and uncertainties with the proposed Community Commercial development at the corner of Oak Street and Ninth Avenue, the LID discussion had been put on hold until recently. Staff presented an Engineer's Report at the October 14, 2009, City Council Meeting, which modified the LID boundary to include only improvements on the north end of Oak Street and the extension between Ninth Avenue and Pacific Boulevard. This modified boundary was developed in order to address the immediate need for improvements in the vicinity of the developing Community Commercial property at the intersection of Oak Street and Ninth Avenue. This modified boundary also excluded almost all of the residential properties along Oak Street from having to participate in an LID. It is anticipated the residential properties along Oak Street are not going to be in favor of an LID in any form that requires them to be assessed.

After discussions of the proposed modified boundary, Council directed staff to change the LID boundary to include improvements to all of Oak Street between Pacific Boulevard and Queen Avenue and submit a new Engineer's Report. This modified Engineer's Report was submitted to Council at the October 28, 2009, Council Meeting.

Summary of Estimated Costs

The Oak Street and Storm Drain improvements from Ninth Avenue to Queen Avenue are estimated to be \$2,180,000. The assessment roll is prepared showing assessments based on trip generation and no City participation in the project costs, as shown on Attachment B.

The Oak Street Extension between Pacific Boulevard and Ninth Avenue is estimated at \$2,518,000, including right-of-way acquisition and building demolition. The assessment roll is prepared showing assessments based on trip generation and no City participation in the project costs.

The required water system improvements are estimated to cost \$257,000. Some of the water improvements are construction of missing water line. The costs associated with construction of this missing water line are shown as being paid by the City, with the exception of the Ping's Garden parcel. When the Ping's Garden Restaurant parcel was developed, the owner chose to

Albany City Council

Page 3

January 21, 2010, for the February 10, 2010, City Council Meeting

execute a Petition/Waiver for the public improvements along the Oak Street frontage, including the water line. In this way assessments for several properties are reduced and the City will recoup a portion of this cost through the collection of connection fees when the properties develop. This option will result in the City covering some of the water line costs that would otherwise be assessed to benefitting properties because Connection Fees will not completely cover the cost of the new water line construction.

The balance of the water line work is replacement of old and undersized water lines. The cost to replace the existing water line will be funded by the City. The estimated City participation in the project to construct the missing segments and replace the existing water system is \$243,770.

The total estimated costs and assessable amounts are summarized below and are shown on the assessment computation sheet enclosed as Attachment B.

Oak Street and Storm Drain	\$2,180,000
Oak Street Extension	2,518,000
Water	257,000
City Funding (Water)	<u>-243,770</u>

Net Assessable Costs \$4,711,230

Proposed Method of Assessment

Based on Council direction, the assessment methodology for Oak Street and Storm Drain and the Oak Street Extension between Pacific Boulevard and Ninth Avenue is based on trip generation. Council determined this method will most equitably distribute the assessable costs to the parcels, considering the widely varied land uses associated with the properties included in the LID boundary.

The Oak Street Extension is shown in the draft Transportation System Plan (TSP) update as being 100 percent growth related. Therefore, the properties that receive a special benefit from this extension are those that are not yet developed, while properties that are currently developed do not receive a special benefit from this extension. In addition, there is a diminishing special benefit to properties located farther away from the improvement. Therefore, staff has proposed that the parcel north of Ninth Avenue and the undeveloped properties on the east side of Oak Street from Ninth Avenue south, to and including the park property, be assessed for the special benefit of the Oak Street extension.

The estimated assessments are based on cost estimates derived from preliminary design concepts and costs of similar work on other City projects. The final assessment amounts will be based on actual City costs, amounts of City participation, bid prices, and final work quantities, and are expected to vary from this estimate.

City Participation

Council has expressed a desire to consider City participation in the cost of the improvements of Oak Street. While Council has indicated that they are interested in having the City contribute in the costs of the Oak Street improvements, the attached assessment roll does not show any City participation. In this way property owners in the LID will see the estimated worst-case assessment scenario in the Engineer's Report.

This Council's desire to provide City participation in the LID stems from the fact that the City received some funding from Linn County when the roadway was transferred to the City. In 1990

Albany City Council

Page 4

January 21, 2010, for the February 10, 2010, City Council Meeting

the City of Albany and Linn County entered into a Road Transfer Agreement. This agreement outlined the conditions of transferring multiple Linn County Roads that were within the City limits to the City of Albany. In exchange for the City taking over jurisdiction of these roads, Linn County paid the City of Albany a sum of money for each road. Oak Street was included in this agreement. As such, Linn County paid the City of Albany \$376,300 in exchange for the City accepting it as a City road. The amount of the payment for Oak Street does not appear to have been enough to pay for full urban improvements of Oak Street. In 1995, the City Council chose to combine all Linn County Road Transfer funds and use them to reduce assessments for the improvement of Marion Street. Therefore, there are no remaining Linn County road transfer funds available for use on any other projects.

Since transportation funding for capital improvements is very limited, providing funding for a portion of the Oak Street improvements will delay the construction of currently planned transportation projects Council has expressed a desire to complete. Therefore, Council's policy decision regarding City contribution to the Oak Street project will impact planned projects.

While funding is limited, there are a few options available to Council should they decide the Oak Street improvement is a priority for City funding. One option is to provide funds from City Capital budgets. Another funding source for City participation would be Transportation System Development Charges.

City Participation with Capital Funds:

Public Works staff has identified potential funding sources in the Street Capital and Restoration Fund for the \$376,300 of City participation. There are three potential sources that could be used for this project.

1. Street Connection Fees – There are approximately \$100,000 of reserves in Street Connection Fees. These are monies the City collects when properties develop adjacent to improved roadways that the property did not help to pay for. Council can choose to spend this balance down as part of the City funding of Oak Street.
2. Street Capital and Restoration – The City holds a reserve of approximately \$620,000 of Street Capital funds. The City has been using these funds to leverage Surface Transportation Program (STP) funds to enable the City to complete larger scale street reconstruction projects.
3. Surface Transportation Program – The City can also use the annual Surface Transportation Program (STP) fund exchange money the City receives from Oregon Department of Transportation (ODOT). The City receives approximately \$370,000 each year in STP funds. These funds are used in conjunction with Street Capital funds to complete larger scale street reconstruction projects.

City Participation with Transportation System Development Charges Funds:

Another option for City participation in the project costs is the use of Transportation System Development (TSDC) funds. TSDC contributions can be made to both sections of the Oak Street improvements north and south of Ninth Avenue.

There are challenges regarding traffic adjacent to the community commercial property at the corner of Oak Street and Ninth Avenue. These challenges have developed over time and are not solely the result of potential development of the parcels zoned community commercial. Therefore, staff believes it could be appropriate for Council to consider some level of TSDC funding for both the improvements to support development of the vacant commercial property

Albany City Council

Page 5

January 21, 2010, for the February 10, 2010, City Council Meeting

along this section of Oak Street and the completion of the Oak Street extension between Ninth Avenue and Pacific Boulevard.

The extension of Oak Street between Ninth Avenue and Pacific Boulevard is eligible for 100 percent TSDC funding up to a maximum of \$2,130,000. Therefore, based on the current estimate, even if all of the potential TSDC funds are aimed at the extension of Oak Street, there would be a small balance that would need to be assessed.

Council can choose to also fund a portion of the Oak Street Improvements between Ninth Avenue and Queen Avenue with TSDC funds. TSDC funding participation could be as high as 65 percent for the portion of Oak Street between Ninth Avenue and Queen Avenue per the draft TSP.

Oak Street is not identified as a collector street or a funded project in the current TSP. Oak Street is identified as a collector street eligible for TSDC funding in the draft TSP update Council is considering at this time. Therefore, if Council adopts the new TSP, Oak Street would be eligible for TSDC funding from new TSDC revenues. The use of TSDC funds will either require Council to borrow existing TSDC funds and pay them back with future (new) TSDC funds or to mingle old and new TSDC funds. If Council would like to use existing TSDC funds, staff will need to return to Council for a discussion on the logistics and impacts of using these funds on this project.

At the time of final assessments for this project, it is anticipated the updated TSP will be adopted and this project will be identified as SDC eligible. Any TSDC funding of this project would be shown on the final Engineer's Report submitted after the project is completed and prior to levying final assessments.

Impacts of City Participation with Capital or TSDC Funds

The City cannot participate in the cost of the Oak Street project without impacting other planned transportation improvement projects. Use of funds on Oak Street will reduce funding available to use on other planned projects. If Council decides Oak Street is a priority over other projects, those other projects will be delayed.

All of the City's gas tax funds from the State are currently used for operation and maintenance activities. Therefore, STP funds are the only capital revenue source for street projects. Following is a table showing the planned projects that will have to be delayed if Street Capital reserve funds are used for Oak Street.

Project	Current Planned Project Year	Revised Project Year if Oak Funded with Capital Funds
Jackson Street	2011	2012
Hill Street – Queen Avenue to 24 th Avenue	2014	2016

In addition, funding Oak Street and these planned projects will most likely eliminate all of the City's street capital reserves unless a new funding source is identified for street capital. If this happens, the only source for street rehabilitation and reconstruction projects will be the City's share of STP funding provided by the Oregon Department of Transportation (ODOT). This funding source is not guaranteed to remain available at its current level or any level. In addition, without capital reserves, the City will not have the ability to react to emergencies or opportunities as they happen. Therefore, the decision to spend capital funds for Oak Street should be made carefully.

Albany City Council

Page 6

January 21, 2010, for the February 10, 2010, City Council Meeting

The amount of new TSDC funds available for improvements on Oak Street will depend on when the new TSP and TSDC fee is adopted, the amount of funding collected prior to the final engineer's report, and what portion of those funds Council chooses to direct towards Oak Street relative to other priority street projects. Council will need to weigh the use of new TSDC funds on this project with other TSDC project priorities. Council could choose to participate in the LID with TSDC funds at lower percentages than the maximum allowed.

Use of TSDC funding for this project will delay other TSDC projects Council is currently prioritizing. The extent of the delay of these projects will be dependent on the amount of TSDC funds obligated to the Oak Street project, the pace of development, and the value of the new TSDC rate Council adopts. The use of existing TSDC funds would require further discussion with Council about the impacts and implications on TSDC funds. This discussion can be delayed until the later stages of the LID process, but the final decision must be made before assessments are finalized and levied. However, Council direction as to whether they intend to use some form of TSDC funding on the project will likely impact property owner's disposition toward the project.

Proposed Project Schedule

If the LID is formed, staff will begin detailed design work and coordinate with ODOT to determine the final configuration of the Oak Street Extension.

The proposed schedule is:

Public Hearing to form the LID	February 2010
Design	Spring/Summer 2010
Bidding and Award of Contract	Fall/Winter 2010
Complete Construction	Summer 2011
Public Hearing on Final Assessments	Fall 2011

Budget Impact:

If this LID is formed, the street and storm drain costs will be funded by a combination of special assessments to the benefiting properties and City participation in the project costs. The City could contribute a combined \$376,300 from Street Capital and Restoration fund (250-50-2700), STP Funds, TSDC funds, or other funds identified by Council. The exact split of these funds is dependent on how Council wants to apply the City participation to the project. Transportation SDC funding would require some additional discussion with Council to identify how to best use these funds. Council may choose to replace or augment the \$376,300 with Transportation SDC funds at the time assessments are levied after the project is completed.

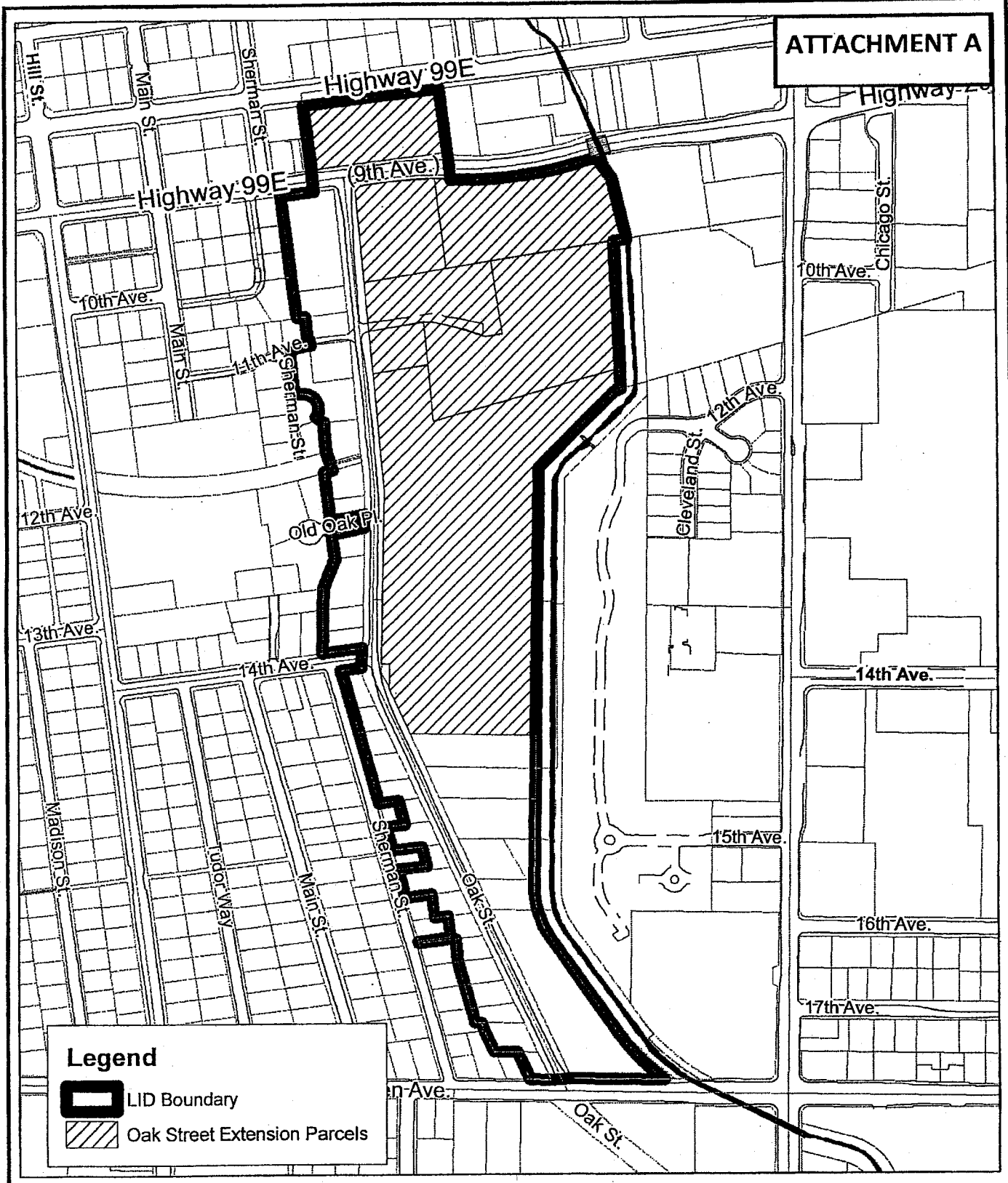
Water system improvement costs will be funded by a combination of one special assessment to the Ping's Restaurant property and approximately \$60,770 from the Connection Fee Reserves in the Water System Capital Projects Fund (615-50-2308) and \$183,000 from the Capital Reserves of the Water System Capital Projects Fund Reserve (615-50-2308).

Should Council decide not to form this LID, the costs incurred to date would not be recoverable through assessments and an alternative funding source would have to be identified.



JMW:kw

Attachments (4)


ATTACHMENT A



Legend

-  LID Boundary
-  Oak Street Extension Parcels

Oak Street Local Improvement District - Potential Boundary



The City of Albany's information, records, drawings, and other documents have been prepared over many decades using varying standards for quality control, documentation, and production. All the information provided represents the information in a readily available format. While the information provided is generally believed to be accurate, responsibility for the reliability remains in the hands of the user, and shall be assumed by the user. Prior to making any property purchase or other investment based in full or in part upon the information provided, it is specifically advised that you independently verify the information contained within our records.

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City of Albany - 333 Broadalbin St. SW, Albany, Oregon 97321 (541) 917-7676

Methodology: TRIP GENERATION	INITIAL ENGINEER'S REPORT								CITY OF ALBANY		
	ASSESSMENT CALCULATION SHEET								ST-09-03, Oak Street LID		
	Assessor's Map and Tax Lot	Zone	Water	Oak Street	Oak Street	Oak Street	Extension	Oak Street	Total	Estimated Assessments	
			Units (Lin Ft)	Water Assmt	Units (Trips)	Storm Drain Assmt	Units (Trips)	Assmt	Assmt		
Name									January 2010		
NET ASSESSABLE COSTS											
ABRAHAM MARIANN I TR	11S03W07AD05500	SFR			9.570	\$8,442.32			\$8,442.32	Water	\$257,000.00
ALBANY CITY OF	11S03W08BC01400	RMD			142.660	\$98,035.74	142.660	\$155,887.85	\$251,723.39	City Funding (Water)	(\$243,770.00)
BARRETT BROS	11S03W08BB04200	CC					168.520	\$183,909.17	\$183,909.17		
BURKE ARTHUR C, JEAN M TR	11S03W07AD04200	SFR			9.570	\$8,442.32			\$8,442.32		
CROOK TERRY L	11S03W07AD03500	RMD			9.570	\$8,442.32			\$8,442.32	Oak Street & Storm Drain	\$2,180,000.00
CUNNINGHAM ANTHONY L	11S03W07DA04000	SFR			13.300	\$8,953.28			\$8,953.28		
ELK KIM CHIEF, GARCIA ARTURO C	11S03W07DA05201	SFR			13.300	\$8,953.28			\$8,953.28		
FICKENSCHER GARI T, CHRISTINE M	11S03W07AD02803	RMD			9.570	\$8,442.32			\$8,442.32	Oak Street Extension	\$2,518,000.00
GERGER BRENT	11S03W07DA05200	SFR			9.570	\$8,442.32			\$8,442.32		
GLASER F T, MARY E TR	11S03W08CB00601	RMD			99.750	\$87,149.62			\$87,149.62		
GOULETT DENNIS W, PATSY I	11S03W07DA04700	SFR			9.570	\$8,442.32			\$8,442.32	Net Assessable Cost	\$4,711,230.00
GOULETT DENNIS W, PATSY I	11S03W07DA04800	SFR			9.570	\$8,442.32			\$8,442.32		
GRAZUL DOROTHY	11S03W08CB01000	RMD			63.840	\$42,875.76			\$42,875.76		
HARRISON MARLENE D	11S03W07DA03600	SFR			13.300	\$8,953.28			\$8,953.28		
HUMPHREY TAMIO J	11S03W07DA04600	SFR			13.300	\$8,953.28			\$8,953.28	Oak Street Water	
J CONSER & SONS LLC	11S03W08BC01201	CC			275.150	\$185,225.28	275.150	\$300,278.62	\$485,503.90	Est. Net Cost	\$13,230.00
J CONSER & SONS LLC	11S03W08BC01202	CC			799.815	\$538,418.70	799.815	\$872,853.58	\$1,411,272.28	Units	294.00 Lin Ft
J CONSER & SONS LLC	11S03W08BC01300	CC			87.159	\$58,673.73	87.159	\$95,118.50	\$153,792.23	Unit Cost	\$45.00 per Lin Ft
KILLEN RANDY, SABRA	11S03W08BC01000	CC			529.792	\$356,644.73	529.792	\$578,172.02	\$934,816.75		
KILLIN EMILY	11S03W07DA04200	SFR			13.300	\$8,953.28			\$8,953.28	Oak Street & Storm Drain	
KILLIN EMILY	11S03W07DA04300	SFR			13.300	\$8,953.28			\$8,953.28	Est. Net Cost	\$2,180,000.00
LEE CHUNG PING, LAI KUEN	11S03W07AD00100	O/P	294.00	\$13,230.00	225.595	\$151,865.69			\$165,095.59	Units	3,238.365 Trips
LEE CHUNG PING	11S03W07DA04401	SFR			13.300	\$8,953.28			\$8,953.28	Unit Cost	\$673.18 per Trip
LEE CHUNG PING	11S03W07DA04501	SFR			13.300	\$8,953.28			\$8,953.28		
LUSCHER MARK W, VALERIE J	11S03W07AD02700	RMD			13.300	\$8,953.28			\$8,953.28	Oak Street Extension	
MEAGHER THOMAS C, DARLENE G	11S03W07DA03900	SFR			9.570	\$8,442.32			\$8,442.32	Est. Net Cost	\$2,518,000.00
NINTH & OAK CHURCH OF CHRIST	11S03W08CB00200	RMD			25.606	\$17,237.43			\$17,237.43	Units	2,307.299 Trips
NINTH & OAK CHURCH OF CHRIST	11S03W08CB00604	RMD			21.765	\$14,652.42			\$14,652.42	Unit Cost	\$1,091.32 per Trip
PERLENFEIN PHYLLIS I, EDWARD R TR	11S03W08BC01100	CC			304.203	\$204,782.99	304.203	\$331,982.47	\$536,765.46		
PERRY MARY AMBROSE	11S03W07DA05500	SFR			9.570	\$8,442.32			\$8,442.32		
PHILLIPS CARLA J	11S03W07DA05400	SFR			9.570	\$8,442.32			\$8,442.32		
PHILLIPS TIMOTHY W	11S03W07AD00103	RMD			9.570	\$8,442.32			\$8,442.32		
RONER FRED A, ANNA L TR	11S03W07AD02800	RMD			9.570	\$8,442.32			\$8,442.32		
SADRI ASGHAR R	11S03W08CB01100	RMD			62.510	\$42,080.43			\$42,080.43		
SADRI ASGHAR R	11S03W08CB01208	RMD			295.260	\$198,762.89			\$198,762.89		
SCHWAB RON	11S03W07DA04100	SFR			9.570	\$8,442.32			\$8,442.32		
SIEGRIST WILLIAM C, NANCY C	11S03W07DA05300	SFR			13.300	\$8,953.28			\$8,953.28		
STYLER MICHAEL D, MARGARET M	11S03W07AD05400	SFR			9.570	\$8,442.32			\$8,442.32		
WADLOW ROBERT A, MEREDITH A	11S03W07AD03700	SFR			9.570	\$8,442.32			\$8,442.32		
WILLIAMS SCOTT L, KAREN S	11S03W07AD05800	SFR			9.570	\$8,442.32			\$8,442.32		
WOODARD CHRIS	11S03W07DA04900	SFR			9.570	\$8,442.32			\$8,442.32		
WOODARD CHRIS A	11S03W07DA05000	SFR			9.570	\$8,442.32			\$8,442.32		
TOTALS			294.00	\$13,230.00	3,238.365	\$2,180,000.00	2,307.299	\$2,518,000.00	\$4,711,230.00		
SMR: Single Family Residential			RMD: Residential Medium Density			CC: Community Commercial			O/P: Office/Professional		

ATTACHMENT B

FINANCIAL INVESTIGATION REPORT
ST-09-03, Oak Street Improvements LID

(As of February 3, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008			OTHER ASMNTS	ASMNT % TO TCV	SEMI-ANNUAL PAYMENTS AT 6.55%
					LAND	IMPROVMENTS	TOTAL			
ABRAHAM TR, MARIANN I PO BOX 3016 ALBANY, OR 97321	11S03W07AD05500 Site: 1330 Oak St SE	0.17%	6,442.32	115,820	47,790	10,120	57,910	-	0.11	444.11
ALBANY, CITY OF PARKS & RECREATION DEP PO BOX 490 ALBANY, OR 97321	11S03W08BC01400 Site: 1326 Oak St SE	6.78%	251,723.39	787,580	383,330	10,460	393,790	-	0.64	17352.87
BARRETT BROS, PERLENFEIN INVESTMENTS 2455 FERRY ST SW ALBANY, OR 97322	11S03W08BB04200 Site: 1300 Pacific Blvd SE	4.96%	183,909.17	3,980,360	1,331,370	658,810	1,990,180	-	0.09	12678.01
BURKE TR, ARTHUR C & JEAN M BURKE TR 1220 OLD OAK PL SE ALBANY, OR 97322	11S03W07AD04200 Site: 1220 Old Oak Dr SE	0.17%	6,442.32	272,680	47,610	88,730	136,340	-	0.05	444.11
CROOK, TERRY L 1130 OAK ST SE ALBANY, OR 97322-4936	11S03W07AD03500 Site: 1130 Oak St SE	0.17%	6,442.32	299,460	54,020	95,710	149,730	-	0.04	444.11
HOUSING AND URBAN DEVEL, % HARRINGTO 20829 72ND AVE S STE 159 KENT, WA 98032	11S03W07DA04000 Site: 1680 Oak St SE	0.24%	8,953.28	390,380	64,000	131,190	195,190	-	0.05	617.21
CHIEFELK, KIM & ARTURO C GARCIA 2520 CARMELITA AVE BELMONT, CA 94002	11S03W07DA05201 Site: 1511 Sherman St SE	0.24%	8,953.28	406,080	64,000	139,040	203,040	-	0.04	617.21
FICKENSCHER, GARI & CHRISTINE M FICKEN 1110 OAK ST SE ALBANY, OR 97322-4936	11S03W07AD02803 Site: 1110 Oak St SE	0.17%	6,442.32	492,600	57,110	189,190	246,300	-	0.03	444.11

FINANCIAL INVESTIGATION REPORT
ST-09-03, Oak Street Improvements LID
(As of February 3, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008			OTHER ASMNTS	ASMNT % TO TCV	SEMI-ANNUAL PAYMENTS AT 6.55%
					LAND	IMPROVMENTS	TOTAL			
GERGER, BRENT 1505 SHERMAN ST SE ALBANY, OR 97322	11S03W07DA05200 Site: 1505 Sherman St SE	0.17%	6,442.32	241,120	47,850	72,710	120,560	-	0.05	444.11
GLASER TR, F T & MARY E GLASER TR C/O G FIVE LLC 34343 TANGENT DR TANGENT, OR 97389	11S03W08CB00601 Site: -	1.81%	67,149.62	236,420	118,210	-	118,210	-	0.57	4629.04
GOULETT, DENNIS W & PATSY I GOULETT 1615 SHERMAN ST SE ALBANY, OR 97322	11S03W07DA04700 Site: 1615 Sherman St SE	0.17%	6,442.32	401,580	46,030	154,760	200,790	-	0.03	444.11
GOULETT, DENNIS W & PATSY I GOULETT 1615 SHERMAN ST SE ALBANY, OR 97322	11S03W07DA04800 Site: 1615 Sherman St SE	0.17%	6,442.32	49,740	13,030	11,840	24,870	-	0.26	444.11
GRAZUL, DORATHY 270 R SADRI ASGHAR 203 E RESERVE ST VANCOUVER, WA 98661	11S03W08CB01000 Site: 1605 Oak St SE	1.16%	42,975.76	142,220	71,110	-	71,110	-	0.60	2962.59
HARRISON, MARLENE D 1204 OAK ST SE ALBANY, OR 97322-6666	11S03W07AD03600 Site: 1204 Oak St SE	0.24%	8,953.28	414,840	57,980	149,440	207,420	-	0.04	617.21
HUMPHREY, TAMIO J 3915 NW SITKA PL CORVALLIS, OR 97330	11S03W07DA04600 Site: 1610 Oak St SE	0.24%	8,953.28	314,260	64,000	93,130	157,130	-	0.06	617.21
J CONSER & SONS LLC, 1010 AIRPORT RD SE ALBANY, OR 97322-5125	11S03W08BC01201 Site: 1111 Oak St SE	13.09%	485,501.90	3,148,840	192,680	1,381,740	1,574,420	-	0.31	33468.68

FINANCIAL INVESTIGATION REPORT
ST-09-03, Oak Street Improvements LID

(As of February 3, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008		OTHER ASMNTS	ASMNT % TO TCV	SEMI-ANNUAL PAYMENTS AT 6.55%	
					LAND	IMPROVMENTS				
J CONSER & SONS LLC, 1010 AIRPORT RD SE ALBANY, OR 97322-5125	11S03W08BC01202 Site: -	38.04%	1,411,272.28	560,220	280,110	-	280,110	-	5.04	97287.82
J CONSER & SONS LLC, 1010 AIRPORT RD SE ALBANY, OR 97322-5125	11S03W08BC01300 Site: 1105 Oak St SE	4.15%	153,792.23	377,360	62,220	126,460	188,680	-	0.82	10601.86
KILLEN, RANDY & SABRA KILLEN C/O CONSER DESIGN & CONSTRUCTION 1010 AIRPORT RD SE ALBANY, OR 97322	11S03W08BC01000 Site: -	25.20%	934,816.75	3,241,280	1,620,640	-	1,620,640	-	0.58	64442.76
KILLIN, EMILY 615 NW QUARRY RD ALBANY, OR 97321-1558	11S03W07DA04200 Site: 1656 Oak St SE	0.24%	8,953.28	329,680	64,000	100,840	164,840	-	0.05	617.21
KILLIN, EMILY 615 NW QUARRY RD ALBANY, OR 97321-1558	11S03W07DA04300 Site: 1642 Oak St SE	0.24%	8,953.28	329,680	64,000	100,840	164,840	-	0.05	617.21
LEE, CHUNG PING & LAI KUEN LEE 1208 9TH AVE SE ALBANY, OR 97322	11S03W07AD00100 Site: 1208 9th Ave SE	4.45%	165,095.59	1,810,980	362,470	543,020	905,490	-	0.18	11381.07
LEE, CHUNG PING 2521 27TH AVE SE ALBANY, OR 97322	11S03W07DA04401 Site: 1636 Oak St	0.24%	8,953.28	314,520	64,000	93,260	157,260	-	0.06	617.21
LEE, CHUNG PING 2521 27TH AVE SE ALBANY, OR 97322	11S03W07DA04501 Site: 1628 Oak St	0.24%	8,953.28	314,520	64,000	93,260	157,260	-	0.06	617.21

FINANCIAL INVESTIGATION REPORT
 ST-09-03, Oak Street Improvements LID
 (As of February 3, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008			OTHER ASMNTS	ASMNT % TO TCV	SEMI-ANNUAL PAYMENTS AT 6.55%
					LAND	IMPROVMENTS	TOTAL			
LUSCHER, MARK W & VALERIE J LUSCHER 2616 NW WESTMINSTER WAY ALBANY, OR 97321	11S03W07AD02700 Site: -	0.24%	8,953.28	360,040	64,000	116,020	180,020	-	0.05	617.21
MEAGHER, THOMAS C & DARLENE G MEAGH 1690 OAK ST SE ALBANY, OR 97322-6654	11S03W07DA03900 Site: 1690 Oak St SE	0.17%	6,442.32	350,560	40,830	134,450	175,280	-	0.04	444.11
NINTH & OAK CHURCH OF CHRIST, PO BOX 454 ALBANY, OR 97321-0130	11S03W08CB00200 Site: 1555 Oak St SE	0.46%	17,237.43	580,600	57,930	232,370	290,300	-	0.06	1188.28
NINTH & OAK CHURCH OF CHRIST, PO BOX 454 ALBANY, OR 97321-0130	11S03W08CB00604 Site: -	0.39%	14,652.42	83,540	41,770	-	41,770	-	0.35	1010.08
PERLENFEIN TR, PHYLLIS I & EDWARD R PER C/O EDWARD R PERLENFEIN 2810 NE ALEXANDER LN ALBANY, OR 97321	11S03W08BC01100 Site: -	14.47%	536,765.46	2,067,900	1,033,950	-	1,033,950	-	0.52	37002.6
PERRY, MARY AMBROSE & DOROTHEA A MIT 1405 SHERMAN ST SE ALBANY, OR 97322	11S03W07DA05500 Site: 1405 Sherman St SE	0.17%	6,442.32	312,840	47,230	109,190	156,420	-	0.04	444.11
PHILLIPS, CARLA J 2651 NW WESTMINSTER WAY ALBANY, OR 97321	11S03W07DA05400 Site: 1435 Sherman St SE	0.17%	6,442.32	275,940	44,890	93,080	137,970	-	0.05	444.11
PHILLIPS, TIMOTHY W PO BOX 1832 ALBANY, OR 97321	11S03W07AD00103 Site: 1040 Oak St SE	0.17%	6,442.32	306,520	54,590	98,670	153,260	-	0.04	444.11

FINANCIAL INVESTIGATION REPORT
ST-09-03, Oak Street Improvements LID
(As of February 3, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008		OTHER ASMNTS	ASMNT % TO TCV	SEMI-ANNUAL PAYMENTS AT 6.55%	
					LAND	IMPROVMENTS				
RONER TR, FRED A & ANNA L RONER 1120 OAK ST SE ALBANY, OR 97322-4836	11S03W07AD02800 Site: 1120 Oak St SE	0.17%	6,442.32	621,840	66,850	244,070	310,920	-	0.02	444.11
SADRI, ASGHAR R 203 E RESERVE ST VANCOUVER, WA 98661	11S03W08CB01100 Site: -	1.13%	42,080.43	121,180	60,590	-	60,590	-	0.69	2900.87
SADRI, ASGHAR R 203 E RESERVE ST VANCOUVER, WA 98661	11S03W08CB01208 Site: -	5.36%	198,762.89	664,360	332,180	-	332,180	-	0.60	13701.97
SCHWAB, RON 1670 OAK ST SE ALBANY, OR 97322	11S03W07DA04100 Site: 1670 Oak St SE	0.17%	6,442.32	219,480	47,680	62,060	109,740	-	0.06	444.11
SIEGRIST, WILLIAM C & NANCY C SIEGRIST PO BOX 842 ALBANY, OR 97321-0467	11S03W07DA05300 Site: 1445 Sherman St SE	0.24%	8,953.28	314,520	64,000	93,260	157,260	-	0.06	617.21
STYLER, MICHAEL D & MARGARET M STYLE 1320 OAK ST SE ALBANY, OR 97322-6851	11S03W07AD05400 Site: 1320 Oak St SE	0.17%	6,442.32	282,080	56,460	84,580	141,040	-	0.05	444.11
WADLOW, ROBERT A & MEREDITH A WADLO 1240 OAK ST SE ALBANY, OR 97322-6850	11S03W07AD03700 Site: 1240 Oak St SE	0.17%	6,442.32	264,400	46,590	85,610	132,200	-	0.05	444.11
WILLIAMS, SCOTT L KAREN S WILLIAMS 1801 NW FISHER LOOP ALBANY, OR 97321	11S03W07AD05600 Site: 1340 Oak St SE	0.17%	6,442.32	183,640	47,040	44,780	91,820	-	0.07	444.11

FINANCIAL INVESTIGATION REPORT
 ST-09-03, Oak Street Improvements LID
 (As of February 3, 2010)

OWNER OF RECORD	PROPERTY DESCRIPTION	% OF PROJECT	TOTAL ASSESSMENT	BOND MAXIMUM	TRUE CASH VALUE 2007/2008			OTHER ASMNTS	ASMNT % TO TCV	SEMI-ANNUAL PAYMENTS AT 6.55%
					LAND	IMPROVMENTS	TOTAL			
WOODARD, CHRIS A 1600 SHERMAN ST SE ALBANY, OR 97322	11S03W07DA04900 Site: 1540 Oak St SE	0.17%	6,442.32	90,440	43,210	2,010	45,220	-	0.14	444.11
WOODARD, CHRIS A 1600 SHERMAN ST SE ALBANY, OR 97322	11S03W07DA05000 Site: 1530 Oak St SE	0.17%	6,442.32	170,620	44,530	40,780	85,310	-	0.08	444.11
Totals			4,711,229.88	26,242,720	7,435,880	5,685,480	13,121,360		1276.73%	324,774.58

FINANCIAL INVESTIGATION REPORT (Cont.)
ST-09-03, Oak Street Local Improvement District (LID)
(As of February 3, 2010)

Section 3. Number of similar lots and property held by the City through foreclosure.

The City is not currently holding property obtained through foreclosure. Twelve properties are delinquent more than one year.

Section 4. Delinquency rate of assessments and taxes in the area.

Ninety-four percent of City property assessments are current. Property tax collections are projected to be 94 percent of current taxes levied. These percentages reveal a decrease of one to two percent from a year ago.

Section 5. Real estate value trends in the area.

Real estate market values within the City are down from 8 to 15 percent for the upcoming year. Real estate sales are down by 30 percent. Residential construction is also experiencing a sharp decline with Construction permits down by more than 40 percent. Building activity is anticipated to continue a downward trend during FY 2009-2010.

Section 6. Tax levy trends and potential financial impact on the proposed LID.

Taxes are expected to remain fairly stable due to a difference of approximately thirty percent between the assessed value and market value. An increase of three to four percent should be expected.

Section 7. Does the project conform to the City Comprehensive Plan?

This project conforms to the City's Comprehensive Plan.

Section 8. Status of City's debt.

Costs attributable to this project will be incorporated into the final assessment roll.

Section 9. Estimated cost of financing.

The City's practice is to charge the property owners 1.50 percent more than the rate on the bonds to pay for the costs associated with billing the property owners and administering the LID. In 2002, assessment bonds sold at 5.05 percent; therefore, property owners will pay 6.55 percent interest.

Section 10. General credit worthiness of property owners within the LID.

The estimated total assessments range from \$6,442.32 to \$1,411,272.28. The semi-annual payment for the proposed assessments project to range from \$444.11 to \$97,287.82, for a ten year term.

Note: Financing under ORS223.215 provides financing for a longer term.

RESOLUTION NO. _____

A RESOLUTION FOR THE ADOPTION OF ENGINEERING AND FINANCIAL INVESTIGATION REPORTS, AUTHORIZATION TO SECURE EASEMENTS, TO OBTAIN BIDS, AND TO ISSUE DEBT FOR THE CONSTRUCTION OF ST-09-03, OAK STREET LOCAL IMPROVEMENT DISTRICT (LID).

WHEREAS, the engineering and financial investigation reports are attached as Exhibit 1; and

NOW, THEREFORE, BE IT RESOLVED that the engineer's report of the Public Works Director and the financial investigation report of the Finance Director concerning ST-09-03, Oak Street Improvements LID are hereby adopted; and

BE IT FURTHER RESOLVED that the Council authorizes the City Manager or his designee to sign agreements on behalf of the City of Albany for the purpose of obtaining easements to construct the said improvements, direct, the City Manager to obtain bids for the construction of said projects as required by law, and authorizes the City Manager to make, issue, and negotiate debt to finance construction of said improvements.

DATED AND EFFECTIVE THIS 10TH DAY OF FEBRUARY 2010.

Mayor

ATTEST:

City Clerk

#7

ACT TO LIMIT INDEBTEDNESS for CITY OF ALBANY, OREGON

Be it enacted, the Albany City electors propose amending the City Charter
CHAPTER IX -- MISCELLANEOUS PROVISIONS--Section 44--Debt Limit.

ADD THE FOLLOWING:

The maximum debt allowed for City of Albany, Oregon shall be the total debt of the City as of 28 February 2012 at 5pm local time.

No new debt or debt extensions requested by The City Council after 28 February 2012 shall be allowed without approval of a majority of Albany City electors in a primary, special or general election.

Only with the approval of a majority of Albany City electors in a primary, special or general election shall Albany City be allowed to increase indebtedness above the 28 February 2012 level.

The debt limit established by State law shall never be violated.

MAR 13 2012

4:35 pm
M. Smith

ACT TO LIMIT URBAN RENEWAL INDEBTEDNESS

Be it enacted, the Albany City electors propose amending the City Charter
CHAPTER IX -- MISCELLANEOUS PROVISIONS--Section 44--Debt Limit.

ADD THE FOLLOWING:

URBAN RENEWAL DEBT LIMITED

The maximum Urban Renewal Indebtedness (URI) allowed for the Albany Revitalization Agency (ARA) shall be the total Central Albany Revitalization Agency (CARA) debt as of 28 February 2012 at 5pm local time. This Provision specifically repeals the \$56,000,000 Urban Renewal Debt limit established in 2001 by Ordinance.

No Urban Renewal Debt requested by ARA after 28 February 2012 shall be allowed without a majority approval of Albany City electors in a primary or general election.

"Urban Renewal Indebtedness" and "URI" means debt incurred pursuant to an urban renewal plan where repayment is pledged from ad valorem taxes assessed within the City limits of Albany, Oregon.

MP FEB 23 2012