

RESOLUTION NO. 3406

A RESOLUTION OF THE CITY OF ALBANY, OREGON AUTHORIZING THE EXPENDITURE OF CERTAIN PROCEEDS OF CERTIFICATES OF PARTICIPATION, SERIES 1994 (CITY HALL PROJECT) AND THE RELEASE OF THE NET PROCEEDS OF THE CERTIFICATES FROM ESCROW.

On November 17, 1993, the City Council of the City of Albany, Oregon adopted Ordinance No. 5092 authorizing issuance and negotiated sale of \$3,000,000 Certificates of Participation, Series 1994. The proceeds of the certificates to be expended for the financing of the remodeling, reconstruction and renovation of the Elks Lodge building, located within the City as a new City Hall for the proper and convenient housing of City offices and for conducting the business, operations, and functions of the City and for the use of the City's departments and agencies including the costs of issuance of the Certificates.

Pursuant to the provisions of a Lease-Purchase and Escrow Agreement (the "Agreement") authorized by Ordinance No. 5092, the net proceeds from the sale of the certificates should be paid to the City for deposit to the separate City Hall Construction Building Fund of the City created to disburse the costs of issuance of the certificates and to pay the costs of the City Hall Project.

Immediately prior to the closing of the sale of the certificates on January 27, 1994, the City Council was advised that engineering and architectural estimates of the costs of the remodeling, reconstruction and renovation of the Elks Lodge building were higher than had been initially proposed to the City Council.

On January 27, 1994 the City requested First Interstate Bank, N.A. as Escrow Agent under the Agreement to deposit the net proceeds of the Certificates to the City Hall Construction Fund in the amount of \$2,951,613.40. Seattle-Northwest Securities Corporation, as the Underwriter for the sale of the Certificates of Participation, requested the Escrow Agent to hold in escrow the proceeds of the Certificates intended to be deposited in the City Hall Construction Fund in a special City Hall Escrow Fund to be retained by the City subject to investment of such proceeds by the City. The escrowed funds were not to be used for any purpose other than investment and reinvestment until the City has advised the Underwriter that the City Council has determined the location of and construction plans for a new city hall. The funds may be released from escrow for deposit to the City Hall Construction Fund only upon the adoption of a resolution by the City Council authorizing the expenditure of such proceeds for acquiring, constructing or renovating a facility for a new city hall. If such resolution was not adopted within 120 days of January 27, 1994, the funds are to be applied to the refunding or defeasance of the Certificates of Participation.

On May 25, 1994, the City Council approved of proceeding with the construction of a new city hall at the Elks Lodge building in accordance with the terms of Ordinance No. 5092 and the Lease-Purchase and Escrow Agreement dated January 1, 1994;

On May 27, 1994, being a date not later than 120 days after January 27, 1994, the City, the Underwriter and the Escrow Agent agreed to a further 120 days extension of the adoption of a resolution or application of escrow funds to defease or refund the Certificates.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON:


1. The City Council of the City of Albany, Oregon, authorizes the expenditure of the sum of \$2,951,613.40, of the Certificate proceeds presently deposited in a special City Hall Escrow Fund for the Project as set forth in the Agreement. The Escrow Agent is requested to accept such funds for deposit to the City Hall Construction Building Fund as created in the Agreement for the purposes of proceeding with the Project.
2. The City Council authorizes the Finance Director to give notice to Seattle-Northwest Securities Corporation, Underwriter, and First Interstate Bank Oregon, N.A., as Escrow Agent/Vendor, of the adoption of this resolution.

DATED this 14<sup>th</sup> of September, 1994.



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Mayor

ATTEST:



Norm C. Withrow  
City Recorder - Deputy