

ORDINANCE NO. 438

AN ORDINANCE OF THE WILSONVILLE CITY COUNCIL AMENDING WILSONVILLE CODE BANCROFT BOND ASSESSMENT SECTIONS 3.212, 3.218(1), 3.226, 3.228, AND ADDING A NEW PROVISION "PREPAYMENT OF BALANCE AND DISCHARGE OF LIEN; ASSESSMENT OF BOND INTEREST PREPAYMENT COST DIFFERENTIAL".

WHEREAS, Wilsonville Code Section 3.212 regarding procedures for local improvements and special assessments makes reference to ORS 223.387, which has been amended; and W.C. 3.218(1) and W.C. 3.228 make reference to ORS 223.220 which has been repealed; and

WHEREAS, W.C. 3.212's reference to ORS 223.387 should now read "as defined in ORS 310.140"; and

WHEREAS, W.C. 3.218(1)'s reference to ORS 223.220 was to the provision that the tax assessed valuation for a tax lot was to be equal to two times the amount of the Bancroft Bond assessment to the tax lot, and W.C. 3.218(1) provides for a valuation by appraisal only in the case of specially assessed farm use; therefore, W.C. 3.218(1) should be amended to read "A statement that the tax assessed real market value of the tax lot is equal to two (2) times the pro rata share of the assessment to be assessed the tax lot for its share of the cost of the improvement; provided, however, if the tax lot is specially assessed or if the benefit from the local improvement upon completion would substantially increase the real market value of the tax lot, then its real market value, inclusive of the improvement's benefit, may otherwise be established by an independent certified appraiser from a list provided by the City and the cost of appraisal shall be borne by the property owner;" and

WHEREAS, the Wilsonville Code does not specifically reference ORS 223.280, which provides for the right of an owner to prepay the assessment balance and discharge the lien; however, the City's Bancroft Bonding assessment procedure is governed by this

statute. A specific reference would allow the Wilsonville Code to be more user friendly. While costs are also specifically authorized by another statute as a part of the assessment methodology, a specific cost which needs to be clarified is the differential cost incurred upon prepayment wherein the interest payments on the bond over the life of the bond are greater than the investment return on the prepayment to offset the bond interest payment. A new code provision needs to provide this clarification and be inserted into this section of the Code. Therefore, W.C. 3.226 "Emergencies" should be renumbered 3.224; W.C. 3.228 "Application for Installment Payments" should be renumbered 3.226; and a new section, W.C. 3.228 "Prepayment of Balance and Discharge of Lien; Assessment of Bond Interest Prepayment Cost Differential", should be added, which reads:

"Any owner of a lot against which the final assessment is made and lien documented may pay the whole amount of the final assessment in accordance with ORS 223.280. The City Council may provide for the cost to the local improvement of the property owner's prepayment if, at the time of the prepayment, the current local government pool investment rate would not yield a sum sufficient to repay the property owner's pro rata share of the bond interest over the remaining life of the bond. This prepayment cost shall be assessed at the time of prepayment and shall be an amount that when added to the prepayment shall yield at the local government pool rate the property owner's pro rata share of the bond interest for the remaining life of the bond. If the Finance Director determines that at the time of prepayment there is a prudent investment vehicle available to the City which will yield a more favorable rate and reduce the cost to the property owner, then the Finance Director may use such an investment vehicle in lieu of the local government pool."

NOW, THEREFORE, THE WILSONVILLE CITY COUNCIL ORDAINS AS FOLLOWS:

1. W.C. 3.212 is amended to read "as defined in ORS 310.140", and the reference "as defined in ORS 223.387" is deleted;
2. W.C. 3.218(1) is amended to read:
"A statement that the tax assessed real market value of the tax lot is

equal to two (2) times the pro rata share of the assessment to be assessed the tax lot for its share of the cost of the improvement; provided, however, if the tax lot is specially assessed or if the benefit from the local improvement upon completion would substantially increase the real market value of the tax lot, then its real market value, inclusive of the improvement's benefit, may otherwise be established by an independent certified appraiser from a list provided by the City and the cost of appraisal shall be borne by the property owner;"

3. W.C. 3.226 Emergencies is amended by renumbering it to W.C. 3.224 Emergencies, and W.C. 3.228 Application for Installment Payment is amended by renumbering it to W.C. 3.226 Application for Installment Payment;

4. The following new provision is hereby adopted:

"3.228 Prepayment of Balance and Discharge of Lien; Assessment of Bond Interest Prepayment Cost Differential.

"Any owner of a lot against which the final assessment is made and lien documented may pay the whole amount of the final assessment in accordance with ORS 223.280. The City Council may provide for the cost to the local improvement of the property owner's prepayment if, at the time of the prepayment, the current local government pool investment rate would not yield a sum sufficient to repay the property owner's pro rata share of the bond interest over the remaining life of the bond. This prepayment cost shall be assessed at the time of prepayment and shall be an amount that when added to the prepayment shall yield at the local government pool rate the property owner's pro rata share of the bond interest for the remaining life of the bond. If the Finance Director determines that at the time of prepayment there is a prudent investment vehicle available to the City which will yield a more favorable rate and reduce the cost to the property owner, then the Finance Director may use such an investment vehicle in lieu of the local government pool."

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of November, 1994, and scheduled for the second reading at a regular meeting of the Council on the 5th day of December, 1994,

commencing at the hour of 7:00 o'clock p.m. at the Community Development Hearings Room.


VERA A. ROJAS, CMC/AAE, City Recorder

ENACTED by the City Council on the 5th day of December, 1994, by the following votes: YEAS: 3 NAYS: 0


VERA A. ROJAS, CMC/AAE, City Recorder

DATED and signed by the Mayor this 7th day of December, 1994.


GERALD A. KRUMMEL, Mayor

SUMMARY OF VOTES:

Mayor Krummel	<u>AYE</u>
Councilor Lehan	<u>AYE</u>
Councilor Hawkins	<u>ABSENT</u>
Councilor Benson	<u>AYE</u>
Councilor Sempert	<u>AYE</u>