

# ORDINANCE No. 185837

Authorize revenue bonds for the lighting efficiency program (Ordinance)

THE CITY OF PORTLAND ORDAINS:

Section 1. The Council finds:

1. The City is authorized to issue revenue bonds for a public purpose under ORS 287A.150 (the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the "revenue" of the City, as defined in ORS 287A.001(16). ORS 287A.001(16) defines "revenue" to mean all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled. The City is also authorized to issue revenue bonds to refund revenue bonds pursuant to ORS 287A.360 to 287A.375.
2. The City may authorize revenue bonds under the Act by nonemergency ordinance. The City may not sell the revenue bonds under the Act until the period for referral of the nonemergency ordinance authorizing the revenue bonds has expired. If a nonemergency ordinance authorizing the revenue bonds is referred, the City may not sell the revenue bonds unless the voters approve the revenue bonds.
3. The City has determined that there is a need for revenue bonds in an amount sufficient to provide up to \$18.5 million for costs of the city's Lighting Efficiency Program which includes street lights, pole purchase and other outdoor lighting systems (the "Project") plus additional amounts sufficient to pay costs related to the bonds.

NOW, THEREFORE, the Council directs:

- a. Revenue Bonds Authorized. The City hereby authorizes the issuance of revenue bonds pursuant to the Act in a amount sufficient to provide up to \$18.5 million for costs related to the Project, plus additional amounts sufficient to pay capitalized interest, accrued interest on any interim financing and estimated costs related to the revenue bonds authorized by this Section 1.a. The estimated principal amount of revenue bonds to be sold pursuant to this Section 1.a does not exceed \$19.5 million.
- b. Refunding Bonds Authorized. If all or any portion of the revenue bonds authorized by Section 1.a are issued to provide interim financing for the Project, the City may issue revenue bonds to refund those interim financing bonds and pay associated costs pursuant to ORS 287A.360 to 287A.375. The revenue bonds that are authorized by this Section 1.b may be issued in amounts that are sufficient to refund any interim financing that is obtained under Section 1.a, plus additional amounts sufficient to pay the estimated costs related to issuing the refunding bonds authorized by this Section 1.b.
- c. Security and Use of Bond Proceeds. The revenue bonds authorized by Sections 1.a and 1.b of this Ordinance (the "Bonds") shall be secured by the full faith and credit and

available general funds of the City. Proceeds of the Bonds may be spent only to pay costs related to the Project and costs related to issuing, paying and refunding the Bonds.

- d. No Additional Taxes Authorized. No Bonds shall be general obligations of the City and neither the authorization nor the issuance of any Bonds shall authorize the City to levy any additional taxes.
- e. Procedure. No Bonds may be sold and no purchase agreement for any Bonds may be executed until the period of referral of this nonemergency ordinance has expired and this ordinance takes effect. If this ordinance is referred, the City may not sell the Bonds unless the voters approve this ordinance.
- f. Delegation. After this ordinance takes effect the Debt Manager of the City, the City Treasurer, the Chief Financial Officer of the Bureau of Financial Services, the Chief Administrative Officer of the Office of Management and Finance, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this ordinance (any of whom is referred to in this ordinance as a "Debt Manager") may, on behalf of the City and without further action by the Council:
  1. Issue the Bonds in one or more series, which may be sold at different times and in combination with other series of revenue bonds authorized by the Council.
  2. Issue one or more series of the Bonds to provide interim financing for the Project, enter into lines of credit or similar documents which permit the City to draw Bond proceeds over time, and issue short or long term Bonds to refund the Bonds that provide interim financing for the Project.
  3. Issue one or more series of the Bonds to provide long term financing for the Project,
  4. Participate in the preparation of, authorize the distribution of, and deem final preliminary and final official statements or other disclosure documents for each series of the Bonds.
  5. Subject to the limits in this ordinance, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Bonds, and either publish a notice of sale, receive bids and award the sale of each series to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters or lenders and negotiate the sale of any series with those underwriters or lenders.
  6. Undertake to provide continuing disclosure for any series of the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

7. Finalize the terms of, execute, and deliver bond declarations that describe the terms of each series of the Bonds. The bond declarations may also contain covenants for the benefit of the owners and any credit enhancement providers.
8. Appoint and enter into agreements with service providers for the Bonds.
9. Issue any qualifying series of Bonds as "tax-exempt bonds" bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the "Code") and enter into covenants for the benefit of the owners of those series to maintain the excludability of interest on those series from gross income under the Code.
10. Issue any qualifying series Bonds as "qualified energy conservation bonds" that are eligible for federal interest rate subsidies but bear interest that is includable in gross income under the Code, allocate all or a portion of the city's unused qualified energy conservation bond volume cap to those series, and take any actions that are required to qualify for those federal interest rate subsidies.
11. Issue any series of Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.
12. Execute any documents and take any other action in connection with the Bonds that the Debt Manager finds will be advantageous to the City.

Passed by the Council: DEC 19 2012

Mayor Sam Adams

Prepared by: Bond Counsel: Jonas Biery <sup>JB</sup>

Date Prepared: November 16, 2012

LaVonne Griffin-Valade  
Auditor of the City of Portland  
By

  
Deputy

**Authorize revenue bonds for the lighting efficiency program (Ordinance)**

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Sam Adams</b>	CLERK USE: DATE FILED <u>NOV 20 2012</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Adams <i>[Signature]</i>	LaVonne Griffin-Valade Auditor of the City of Portland  By: <i>[Signature]</i> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
<b>BUREAU APPROVAL</b> Bureau: OMF/Bureau of Financial Services CAO: Jack D. Graham <i>[Signature]</i> Bureau Head: Richard Goward <i>[Signature]</i>	<b>ACTION TAKEN:</b>  NOV 28 2012 PASSED TO SECOND READING    DEC 05 2012 9:30 A.M.  DEC 05 2012 CONTINUED TO    DEC 12 2012 9:30 A.M.  DEC 12 2012 <i>Rescheduled to</i> DEC 19 2012 9:30 A.M.
Prepared by Bond Counsel: Jonas Biery <i>JB</i> Date Prepared: November 16, 2012	
<b>Financial Impact &amp; Public Involvement Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>November 28, 2012</b>	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time:
Total amount of time needed: (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: <b>15 minutes</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	