

# ORDINANCE No. 185804

Authorize revenue bonds for the Close the Loop Project (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 "revenues" of the City, as defined in the Act. The Act defines "revenues" to include 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 "Revenues"). 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 \$5.4 million for improvements related the streetcar system, including the Stephens Turnback, Automated Train Stop Vehicle Safety Upgrades, and connections to the Portland Milwaukie Light Rail bridge (collectively, the "Close the Loop 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 an amount sufficient to provide up to \$5.4 million for costs related to the Close the Loop 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 principal amount of revenue bonds to be sold pursuant to this Section 1.a is estimated not to exceed \$5.8 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 Close the Loop 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 Close the Loop 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 Close the Loop 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 Close the Loop Project.
  - 3. Issue one or more series of the Bonds to provide long term financing for the Close the Loop 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 or other documents that describe the terms of each series of the Bonds. The bond declarations or other documents may also contain covenants for the benefit of the owners.
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 of Bonds as "federal subsidy bonds" that are eligible for federal interest rate subsidies but bear interest that is includable in gross income under the Code 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 12 2012

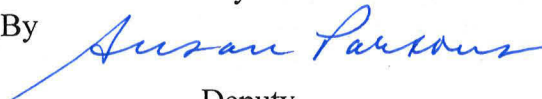
Mayor Sam Adams

Prepared by: Bond Counsel: Jonas Biery JB

Date Prepared: November 27, 2012

**LaVonne Griffin-Valade**  
Auditor of the City of Portland

By

  
Deputy

✓ Authorize revenue bonds for the Close the Loop Project (Ordinance)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Sam Adams</b>	CLERK USE: DATE FILED <u>NOV 30 2012</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Adams <i>[Signature]</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland  <i>[Signature]</i> By: _____ Deputy
<b>BUREAU APPROVAL</b> Bureau: OMF/Bureau of Financial Services CAO: Jack D. Graham <i>[Signature]</i> Bureau Head: Richard Goward <i>[Signature]</i>  Prepared by: Bond Counsel: Jonas Biery <i>[Signature]</i> Date Prepared: November 27, 2012  Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>  Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  Council Meeting Date <b>December 5, 2012</b>  <b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter	ACTION TAKEN:  <b>DEC 05 2012 PASSED TO SECOND READING</b>  <b>DEC 12 2012 9:30 A.M.</b>

<b>AGENDA</b> <span style="float: right;">4 of 4</span>
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> (Close the Loop) <b>Start time: 10:45 a.m. 3:00</b>  <b>Total amount of time needed: 5 minutes</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed:</b> (for presentation, testimony and discussion)

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