

## **ORDINANCE No. 176202**

\* Authorize lines of credit and bonds or notes for water system improvements (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

1. The City passed Ordinance No. 174307 on April 5, 2000, authorizing the issuance of up to \$300,000,000 of bonds under the Uniform Revenue Bond Act to finance various public projects. Notice of the authorization was published as required by Oregon's Uniform Revenue Bond Act (ORS 288.805 to 288.945).
2. The Uniform Revenue Bond Act permits the City to issue the bonds unless, within 60 days after the notice is published, five percent or more of the City's electors file a petition to refer the question of issuing the bonds to the City's voters. More than sixty days have passed since the publication of the notice of authorization, and the City has not received petitions to refer the revenue bonds described in that notice to a vote of the people. The City is now authorized to issue the bonds described in Ordinance No. 174307.
3. The Uniform Revenue Bond Act permits the City to pledge revenues, which is defined to include all fees, tolls, taxes, and other income available to the City, to pay obligations issued under the Uniform Revenue Bond Act and under Ordinance No. 174307.
4. The City has previously issued other bonds pursuant to Ordinance No. 174307. Issuing not more than \$25,000,000 of bonds authorized by this ordinance will not exhaust the authority available under Ordinance No. 174307.
5. The City is authorized under ORS 288.165 (the "Act") to enter into credit agreements and issue notes to provide interim financing for capital assets, so long as the obligations mature within one year after the expected completion date of the capital assets or are refinancing obligations and mature within eighteen months.
6. The Act permits the City to pledge its anticipated taxes, grants, other revenues, the proceeds of any bonds or other permanent financing, or any combination of the foregoing to pay obligations issued under the Act and under this ordinance.
7. The City passes this ordinance to authorize not more than \$25,000,000 of interim financing for costs of improvements to the City's water system.

NOW, THEREFORE, the Council directs:

A. Definitions.

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

"Available General Funds" means "revenues," as defined in the Uniform Revenue

Bond Act, which are legally available to pay the Bonds, including property tax revenues.

“Bonds” means the City’s limited tax revenue bonds which are issued under City Ordinance No. 174307.

“Debt Manager” means the Debt Manager of the City, the Director of the Bureau of Financial Management of the City, 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.

“Lines” means lines of credit or other agreements which are secured by Bonds or Notes and specify the terms under which Bond or Note proceeds will be advanced to the City.

“Notes” means the City’s full faith and credit notes which are authorized by ORS 288.165.

“Project” means costs of improvements to the City’s water system and costs of obtaining the interim financing authorized by this ordinance.

- B.     Authorization. The City is hereby authorized to obtain interim financing for the Project pursuant to either Ordinance No. 174307 or the Act. The interim financing may be in the form of Bonds, Notes or Lines (the “Obligations”). The aggregate principal amount of Obligations which are outstanding at any time shall not exceed Twenty-five Million Dollars (\$25,000,000).
- C.     Security for Bonds and Lines. The Obligations may be payable from and secured by the Available General Funds of the City and a pledge of the City’s full faith and credit. In addition, the Debt Manager may pledge all or any portion of the net revenues of the Water System to pay the Obligations.
- D.     Tax-Exempt Status. The City covenants not to take any action or omit any action if the taking or omission would cause interest paid on the Obligations to be includable in gross income of the owners of the Obligations under Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”). The City covenants to pay any rebates that may be due in connection with the Obligations under Section 148 of the Code.
- E.     Delegation. The Debt Manager may, on behalf of the City and without further action by the Council:

  - (1)     Determine whether the Obligations shall be in the form of Bonds, Notes or Lines;
  - (2)     Commit the City’s Available General Funds to pay the Obligations, and pledge the City’s full faith and credit and water system revenues to pay the Obligations;

- (3) Select one or more underwriters or lenders and negotiate the sale of the Obligations with those underwriters or lenders or publish a notice of sale, receive bids and award the sale of the Obligations to the bidder complying with the notice and offering the most favorable terms to the City;
- (4) Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Obligations;
- (5) Enter into covenants to secure the Obligations, including covenants to issue obligations to refinance the Obligations, and covenants to impose water system rates, fees and charges which are sufficient to pay the Obligations;
- (6) Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and rates, and other terms of the Obligations;
- (7) Undertake to provide continuing disclosure for the Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;
- (8) Issue, sell and deliver the Obligations; and,
- (9) Execute any documents and take any other action in connection with the Obligations which the Debt Manager finds is desirable to carry out this ordinance.

Section 2. Declaration of Emergency. The Council declares that an emergency exists because there is an immediate need for financing for the Project; therefore, this ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, JAN 16 2002  
Mayor Vera Katz  
Office of Management and Finance  
TG:EJ: Bond Counsel  
January 7, 2002

**GARY BLACKMER**  
Auditor of the City of Portland  
By /S/ Susan Parsons

Deputy

BACKING SHEET INFORMATION

AGENDA NO. 69-2002

ORDINANCE/RESOLUTION/COUNCIL DOCUMENT NO. 176202

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
FRANCESCONI	X	
HALES	===	=====
SALTZMAN	X	
STEN	X	
KATZ	X	