

189161

ORDINANCE No.

Authorize \$15 million of long-term bonds for local improvement and sidewalk repair projects and financing of system development charges plus additional amounts for issue costs (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 and related statutes (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(17). ORS 287A.001(17) defines "revenue" 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.
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 local improvement projects, including some for which it obtained interim financing. The City also has projects that are eligible to be paid from system development charges imposed for the Portland Bureau of Environmental Services, the Portland Bureau of Transportation, Portland Parks and Recreation, and the Portland Water Bureau, and sidewalk repair projects of the Portland Bureau of Transportation.
4. The City is entitled to receive payments of system development charges and assessments for local improvement projects and the City's sidewalk repair program. Those amounts may be used to pay revenue bonds issued by the City to finance and refinance the costs of the local improvement projects, system development charge projects and sidewalk repair projects described above (the "Projects").
5. The City has determined that there is a need for revenue bonds in an amount sufficient to provide up to \$15,000,000 to finance and refinance the Projects, 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 \$15,000,000 for costs related to financing or refinancing the Projects, plus additional amounts sufficient to pay 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 \$15,200,000.

- b. Security and Use of Bond Proceeds. The revenue bonds authorized by Sections 1.a of this ordinance (the “Bonds”) shall be secured by the full faith and credit and legally available general funds of the City. Proceeds of the Bonds may be spent only to pay costs related to financing or refinancing the Projects and costs related to issuing and paying the Bonds as described in Section 1.a. The Bonds may also be secured by a pledge of any or all of the payments that the City is entitled to receive in connection with the Projects, including system development charges, assessments for local improvement projects and the City’s sidewalk repair program, and the net proceeds of foreclosing the liens securing any of those payment obligations.
- c. 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.
- d. 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.
- e. Delegation. After this ordinance takes effect the City’s Debt Manager, the Chief Financial Officer and Director of the Bureau of Revenue and 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. Pledge any or all of the payments that the City is entitled to receive in connection with the Projects, including system development charges, assessments for local improvement projects and the City’s sidewalk repair program, and the net proceeds of foreclosing the liens securing any of those payment obligations, and apply those amounts to pay the Bonds.
 - 3. Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for each series of the Bonds.
 - 4. Subject to the limits of 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.

5. 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.
6. 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 and any credit enhancers of the Bonds.
7. Appoint and enter into agreements with service providers for the Bonds.
8. 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.
9. If federal law then permits, issue any qualifying series of Bonds as "tax credit bonds," "federal subsidy bonds" or other obligations that are eligible for federal tax credits, federal interest rate subsidies or other federal benefits, and enter into any covenants and take any actions that are required to qualify for those federal benefits.
10. Issue any series of Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.
11. Apply for and purchase municipal bond insurance or obtain other forms of credit enhancement for any series of Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
12. Execute and deliver any other 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: SEP 12 2018

Mayor Ted Wheeler

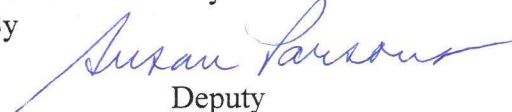
Prepared by: Bond Counsel: Eric Johansen

Date Prepared: August 21, 2018

Mary Hull Caballero

Auditor of the City of Portland

By


Deputy

946 - 972
 Agenda No.
ORDINANCE NO.

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Title

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INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler	CLERK USE: DATE FILED <u>AUG 28 2018</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <u>Susan Parsons</u> Deputy
BUREAU APPROVAL Bureau: Office of Management and Finance/Revenue & Fin. Services CAO: Tom Rinehart CFO: Jennifer Cooperman Prepared by: Bond Counsel: Eric Johansen Date Prepared: 8/21/2018	ACTION TAKEN: SEP 05 2018 PASSED TO SECOND READING SEP 12 2018 9:30 A.M.
Impact 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"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date 9/5/2018	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)		YEAS	NAYS
CONSENT <input type="checkbox"/>	1. Fritz	1. Fritz	✓
REGULAR <input checked="" type="checkbox"/>	2. Fish	2. Fish	_____
Total amount of time needed: 5 minutes (for presentation, testimony and discussion)	3. Saltzman	3. Saltzman	✓
	4. Eudaly	4. Eudaly	✓
	Wheeler	Wheeler	_____