

## ORDINANCE NO. 158101

AN ORDINANCE OF THE CITY OF PORTLAND, OREGON  
AUTHORIZING THE ISSUANCE AND SALE OF \$13,000,000 IN  
PRINCIPAL AMOUNT OF ECONOMIC DEVELOPMENT REVENUE BONDS,  
SERIES 1985 (NORCREST CHINA COMPANY PROJECT) TO FINANCE  
AN ECONOMIC DEVELOPMENT PROJECT, AUTHORIZING THE  
EXECUTION OF RELATED DOCUMENTS AND DECLARING AN  
EMERGENCY.

The City of Portland, Oregon ordains:

Section 1. Findings. The City of Portland finds:

a. The Portland Development Commission (the "Commission") has received an application from Norcrest China Company to finance an economic development project pursuant to ORS 280.410 to 280.485 and Portland City Code Sections 5.72.010 to 5.72.100. The economic development project consists of the acquisition of certain land, construction, renovation, equipping and development of approximately 205,000 square feet of convention and trade show facilities and additional parking and loading facilities functionally related and subordinate thereto, all to be located at 2741 N.W. Vaughn Street, Portland, Oregon (the "Project"). The Project will be leased by the City to Norcrest China Company, an Oregon corporation. The Commission has reviewed the application pursuant to Portland City Code Section 5.72.040, and adopted a resolution on October 3, 1984, recommending approval of the Project.

b. On October 10, 1984, this Council adopted a resolution approving the application of Norcrest China Company and taking its official action to issue tax-exempt obligations to finance the Project pursuant to United States Treasury Regulation Section 1.103-8(a)(5)(iii).

c. Forms of a Mortgage, Security Agreement and Indenture of Trust between the City and First Interstate Bank of Oregon, N.A., as trustee (the "Indenture"), a Lease-Purchase Agreement for the Project between the City and Norcrest China Company (the "Lease"), Guaranty Agreements from Norcrest China Company, William S. Naito and Samuel T. Naito and a Bond Purchase Agreement among the City, Norcrest China Company and First Interstate Bank of Oregon, N.A., as Bond purchaser (the "Purchase Agreement"), have been filed with, and reviewed by the Commission staff and the City Attorney. These documents (collectively the "Bond

Documents") provide the terms and conditions under which Norcrest China Company requests that the City issue its economic development revenue bonds to finance the Project.

d. On November 25, 1985, the Commission authorized its Executive Director to approve and recommend that pursuant to Portland City Code Section 5.72.050(c), the City issue its economic development revenue bonds in an aggregate principal amount of \$13,000,000 to finance the Project, in accordance with the Bond Documents.

e. Pursuant to ORS 280.445 the City has considered the bond market for the bonds, the terms and conditions of the proposed issue, whether Norcrest China Company is financially responsible and fully capable and willing to fulfill its obligations under the Lease, including the obligation to pay rent in the amounts and at the times required, the obligation to operate, repair and maintain at its own expense the Project, to serve the purposes of ORS 280.410 to 280.485, and such other responsibilities as may be imposed under the Lease.

f. A hearing has been held on December 26, 1985 regarding the issuance of bonds to finance the Project, pursuant to Section 103(k)(2)(B) of the Internal Revenue Code.

NOW, THEREFORE, the Council directs:

Section 2. Issue. The City shall issue its Economic Development Revenue Bonds, Series 1985 (Norcrest China Company Project) in the aggregate principal amount of \$13,000,000 (the "Bonds") in accordance with this Ordinance and the Bond Documents to finance the Project. The Bonds shall be initially issued in the form of a single registered Bond. The Bond shall be dated with the date of closing, shall mature on the first business day of each month beginning on February 1, 1988 and ending on January 2, 2001, and shall bear interest at the rate of 68 percent of First Interstate Bank of Oregon, N.A.'s Prime Rate of interest, as provided in the Bond Documents. Issuance of the Bonds is hereby approved pursuant to Section 103(k) of the Internal Revenue Code.

Section 3. Sale. The Bonds shall be sold to First Interstate Bank of Oregon, N.A., at a private sale, pursuant to ORS 280.450 and in accordance with the terms of the Purchase Agreement.

Section 4. Security. The Bonds shall be secured solely by the Project, payments made by the owners, sublessees and operators of the Project and moneys held under the Indenture, and any other security as provided in the Bond Documents. The

Bonds shall not be payable from nor a charge upon any other funds or assets, nor shall the City of Portland be subject to any liability thereon. No holder or holders of the Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment thereof against any property of the City except the Project.

Section 5. Execution of Documents. The forms of the Bond Documents are hereby approved. The Mayor, the Auditor, the Acting Director of Fiscal Administration or the Executive Director of the Commission are hereby authorized to execute and deliver, for and on behalf of the City of Portland, the Indenture, the Lease, and the Purchase Agreement, substantially as reviewed by the Commission staff and the City Attorney, with such changes as may be approved by the City Attorney and the signing party provided that such changes shall not affect the rights, obligations and duties of the City. The Mayor, the Auditor, the Acting Director of Fiscal Administration or the Executive Director of the Commission are also authorized to execute, for and on behalf of the City of Portland, any and all documents and certificates which may be required under the Bond Documents, or which may reasonably be required to issue, sell and deliver the Bonds.

Section 6. Emergency. The Council declares that an emergency exists because anticipated changes in the Internal Revenue Code will take effect on January 1, 1986 which would prohibit the use of tax-exempt financing for this Project unless the Bonds are issued before that date; therefore, in order to permit the Bonds to be issued before January 1, 1986 this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council,

DEC 26 1985

Mayor Clark  
PDC:LLB:bis  
December 19, 1985

Jewel Lansing  
Auditor of the City of Portland

By

*Edna Cervera* Deputy

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
BOGLE		
LINDBERG	✓	
SCHWAB	✓	
STRACHAN	✓	
CLARK	✓	

FOUR-FIFTHS CALENDAR	
BOGLE	
LINDBERG	
SCHWAB	
STRACHAN	
CLARK	

4-21 75  
Calendar No. 5-2583

## ORDINANCE No. 158101

### Title

Ordinance authorizing the issuance and sale of \$13,000,000 in Economic Development Revenue Bonds for the Norcrest China Company Project, and declaring an emergency

DEC 20 1985

Filed \_\_\_\_\_

JEWEL LANSING  
Auditor of the CITY OF PORTLAND

By Dennis N. [Signature]  
Deputy

INTRODUCED BY	
Mayor J.E. Bud Clark	
NOTED BY THE COMMISSIONER	
Affairs	
Finance and Administration <u>J.E. Bud Clark</u>	
Safety	
Utilities	
Works	
BUREAU APPROVAL	
Bureau: Portland Development Commission	
Prepared By	Date
Larry Brown	December 19, 1985
Budget Impact Review:	
<input checked="" type="checkbox"/> Completed	<input type="checkbox"/> Not required
Bureau Head <u>Patrick L. Lacroix</u>	
CALENDAR	
Consent	Regular
NOTED BY	
City Attorney	
City Auditor	
City Engineer	