

Calendar No. 2539

ORDINANCE No. 158086

Title

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

FOUR-FIFTHS CALENDAR	
BOGLE	
LINDBERG	
SCHWAB	
STRACHAN	
CLARK	

AN ORDINANCE AMENDING ORDINANCE NO. 158002 RELATING TO THE ISSUANCE AND SALE OF URBAN RENEWAL AND REDEVELOPMENT BONDS, SOUTH PARK BLOCKS, SERIES B, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,600,000, LIMITING THE OBLIGATION OF THE BONDS TO TAXES IMPOSED AND COLLECTED OVER AND ABOVE THE PRESCRIBED BASE IN THE SOUTH PARK BLOCKS URBAN RENEWAL PROJECT AREA, AS AMENDED, PRESCRIBING THE FORM, MATURITY DATES, REDEMPTION PROVISIONS, MANNER OF SALE, AND LIMITING THE USE OF PROCEEDS OF THE BONDS, AND DECLARING AN EMERGENCY.

Filed DEC 13 1985

JEWEL LANSING
Auditor of the CITY OF PORTLAND

By Deanna HSL
Deputy

INTRODUCED BY
Mayor J.E. Bud Clark

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration
Safety
Utilities
Works

BUREAU APPROVAL
Bureau: Portland Development Commission
Prepared By: Larry Brown
Date: December 11, 1985
Budget Impact Review:
<input type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head: <u>Patrick L. LaCrosse</u>

CALENDAR
Consent Regular
NOTED BY
City Attorney
City Auditor
City Engineer

ORDINANCE No.

The City does further covenant that it will not take any action nor omit to take any action that would cause the interest on the Series B Bonds to become includable for federal income tax purposes in the gross incomes of the owners thereof."

B. Except as expressly modified, amended and supplemented by this Ordinance, Ordinance No. 158002 shall be and remain in full force and effect.

Section 2. The Council declares that an emergency exists so that necessary procedures may be carried through in an orderly manner prior to issuance of the Series B Bonds herein authorized so that sufficient time may be afforded to complete the sale of the Series B Bonds and so as to obtain the proceeds therefrom to pay the costs incurred or to be incurred in connection with the Project; therefore, this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, DEC 18 1985

Mayor Clark
PDC:LLB:bls
December 11, 1985

Jewel Lansing
Auditor of the City of Portland
By

Edna Rivera Deputy

Fund (exclusive of any amounts on deposit in the Sinking Fund needed to meet the current year's annual debt service requirements on all obligations payable from the Sinking Fund) and the reserve fund established as security for the Series A Bonds pursuant to Ordinance No. 158001, as amended by Ordinance No. _____, equal or exceed two times the maximum annual debt service requirement on the Series B Bonds and the Series A Bonds for any subsequent fiscal year of the City.

At such time as the amounts on deposit in the Sinking Fund (exclusive of any amounts on deposit in the Sinking Fund needed to meet the current year's debt service requirements on all obligations payable from the Sinking Fund) equal or exceed two times the maximum annual debt service requirement on all outstanding indebtedness payable from the Sinking Fund in any succeeding fiscal year of the City, the Treasurer shall withdraw all amounts on deposit in the Reserve Fund and deposit the amounts so withdrawn in the Redevelopment Fund to be used in the same manner as provided above with respect to other amounts on deposit in the Redevelopment Fund.

The City shall establish such special fund or funds for such proceeds as may be found necessary or appropriate, or as requested by the Commission. Prior to the time of expected use of the Series B Bond proceeds on deposit in the Redevelopment Fund and the Reserve account, the Treasurer of the City may invest the money received from the Bond proceeds so as to accumulate earnings thereon and such earnings shall be added to the Redevelopment Fund. Such investments shall be in accordance with the statutory requirements for investment of public funds and shall be as ordered by the Commission from time to time."

(3) Section 2, Paragraph I is hereby repealed in its entirety and in lieu thereof the following shall be substituted:

"I. Tax Covenants. The City covenants that the proceeds of the Series B Bonds or the tax revenues received for the payment of principal and interest thereon will not be invested in any manner which would cause the Series B Bonds to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

if any, on the Series B Bonds outstanding; (iii) loans to the Developers for the purpose of defraying part of the cost of the Housing Projects; and (iv) payment of costs and expenses in connection with improvements in the Urban Renewal Area.

There is hereby established a sub-account of the Redevelopment Fund to be designated the "Reserve Fund." Principal proceeds from the issuance and sale of the Series B Bonds shall be deposited in the Reserve Fund in an amount equal to two times the maximum annual debt service requirement on the Series B Bonds for any fiscal year of the City subsequent to the date of issuance of the Series B Bonds (the "Required Reserve").

If, on any date upon which payments of principal or interest on the Series B Bonds are due, there are insufficient moneys available in the Sinking Fund and the Redevelopment Fund to make such payments of principal and interest on the Series B Bonds, the Treasurer shall withdraw from the Reserve Fund an amount equal to the amount of such deficiency and apply the amounts so withdrawn to the payment of the principal and interest on the Series B Bonds then due. In the event of any such withdrawal from the Reserve Fund, the City shall be obligated to restore the amounts so withdrawn out of the Tax Increments next received after the date of such withdrawal; provided that prior to applying said Tax Increments for such purpose, the City shall first set aside in the Sinking Fund an amount sufficient to pay the principal of and interest coming due on all obligations payable out of the Sinking Fund during the next year following the date of receipt of such Tax Increments, and only the balance, if any, of the Tax Increments remaining after having set aside such amount in the Sinking Fund shall be used to restore the amounts so withdrawn from the Reserve Fund.

If on any date the amount on deposit in the Reserve Fund (including investment earnings) exceeds the Required Reserve, the Treasurer shall withdraw such excess amount from the Reserve Fund and deposit the amount so withdrawn in the Redevelopment Fund.

The City shall have the right to withdraw from time to time amounts on deposit in the Reserve Fund, and shall have no duty to restore the amounts withdrawn from the Reserve Fund pursuant to this provision, provided that immediately following any such withdrawal the aggregate amounts on deposit in the Reserve Fund, the Sinking

The Housing Projects will be separately acquired, constructed and operated by three private developers (the "Developers"), and the City will loan substantially all of the Series B Bond proceeds to the Developers in order to defray part of the cost of acquiring and construction the Housing Projects. In the event some or all of such proceeds of the Series B Bonds are not loaned to the Developers, the amount of such proceeds not loaned will be used for improvements in the Urban Renewal Area which are in accordance with the Plan. The Series B Bonds are being issued pursuant to the provisions of the City Charter, the Urban Renewal Act and ORS 288.520.

2. In order to sell the Series B Bonds at the lowest possible net effective interest cost, it is necessary to amend Ordinance No. 158002 in certain respects, as more fully set forth herein.

THEREFORE, the Council directs:

A. Ordinance No. 158002 is hereby amended, modified and supplemented as follows:

(1) Section 2, Pararaph E of Ordinance No. 158002 is hereby repealed in its entirety and in lieu thereof the following shall be substituted:

"E. The Paying Agent and Registrar. The Oregon Bank, Portland, Oregon, is hereby appointed to act as Paying Agent and Registrar with respect to the Series B Bonds."

(2) Section 2, Pararaph H of Ordinance No. 158002 is hereby repealed in its entirety and in lieu thereof the following shall be substituted:

"H. Redevelopment Fund; Reserve Account. There is hereby established a fund to be designated "South Park Renewal Area Fund" (the "Redevelopment Fund"). Proceeds from the issuance and sale of the Series B Bonds, including accrued interest, if any, (but not including the principal proceeds of the Series B Bonds which are required to be deposited in the Reserve Account as provided below) shall be deposited in the Redevelopment Fund and shall be used for: (i) payment of expenses of the issuance of the Series B Bonds and matters related thereto, including legal fees, consultant fees and printing costs; (ii) payment into the Sinking Fund from time to time of amounts determined to be necessary, convenient or appropriate for payment of the principal of, the interest, and premium,

ORDINANCE NO. 158086

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THE CITY OF PORTLAND ORDAINS:

Section 1. The Council Finds:

1. Chapter XV of the Charter of the City of Portland, Oregon (the "City") created the Department of Development and Civic Promotion administered by the Portland Development Commission (the "Commission"). The Commission by such Charter provisions, and as directed by the Council, was designated as the urban renewal agency of the City. The City Council has previously approved an urban renewal plan for an urban renewal project (the "Project") known as the South Park Blocks Urban Renewal Project (said plan as heretofore or hereafter amended from time to time being herein called the "Plan"), all as authorized in Chapter 457 Oregon Revised Statutes, as amended (the "Urban Renewal Act"). The Plan provides that ad valorem taxes levied upon all taxable property situated in the project area should be divided as provided in the Urban Renewal Act. Pursuant to Ordinance No. 158002, the Council authorized issuance of Urban Renewal and Redevelopment Bonds, South Park Blocks Series B (the "Series B Bonds"), in a total sum not to exceed Five Million Six Hundred Thousand Dollars (\$5,600,000) payable only from the tax increments available from the properties within the South Park Blocks Urban Renewal Area (the "Urban Renewal Area") as permitted by the Charter of the City and the Urban Renewal Act (the tax increments derived from the Urban Renewal Area out of which the Series B Bonds and other indebtedness incurred in connection with the Project are payable being herein called the "Tax Increments"). The Series B Bonds are to be issued in order to provide funds to assist in the development within the Urban Renewal Area of three multifamily residential rental housing projects (the "Housing Projects"), fifteen percent (15%) of the units of which will be continuously occupied by persons or families of low or moderate income, all in accordance with the requirements of Section 103 (b)(4) of the Internal Revenue Code of 1954, as amended, and the rules and regulations promulgated thereunder (the "Code").