

## ORDINANCE No. 184290

\* Authorize Central Eastside Urban Renewal and Redevelopment Bonds (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City approved the urban renewal plan for the Central Eastside Urban Renewal Area (the "Area") and a maximum indebtedness limit for the Area of \$104,979,000. The amount of bonds authorized by this Ordinance, plus the amount of indebtedness for the Area which the City issued since the Area was created, will not exceed the maximum indebtedness limit for the Area.
2. The City has authorized \$35,000,000 of interim financing for urban renewal projects in the Area, and has \$32,920,340.25 of that interim financing outstanding.
3. The City desires to issue long-term bonds secured by the tax increment revenues of the Area to provide long-term financing for the projects that were financed with interim financing.
4. The Portland Development Commission has adopted a resolution requesting the City to issue bonds to refinance projects in the Area pursuant to Section 15-106 of the City Charter.
5. The City adopts this Ordinance to authorize the issuance of bonds secured by the tax increment revenues of the Area to refinance urban renewal projects in the Area.

NOW, THEREFORE, the Council directs:

a. Authorization.

The City hereby authorizes the sale and delivery of its Central Eastside Urban Renewal and Redevelopment Bonds (the "2011 Bonds") in accordance with this Ordinance and the bond declarations executed by the Debt Manager pursuant to Section 1.c.7 of this ordinance (the "Declarations"). Proceeds of the 2011 Bonds may be used to refinance interim financings for projects in the Area, to fund deposits to debt service reserve accounts, and to pay costs related to the 2011 Bonds. The aggregate principal amount of the 2011 Bonds shall not exceed \$36,200,000, which includes the sum of the amounts required to (a) refinance interim financing for project in the Area, and (b) provide additional amounts that the Debt Manager estimates are necessary to fund debt service reserves and pay costs related to the 2011 Bonds, including costs of reserve sureties for the 2011 Bonds, costs of credit enhancement, and costs of issuing the 2011 Bonds.

b. Security for Bonds.

1. The 2011 Bonds shall not be general obligations of the City or the Commission. The City and the Commission shall be obligated to pay the Bonds solely from the Central Eastside Tax Increment Revenues and related amounts that are pledged to pay the 2011 Bonds in the Declarations.
2. The provisions of the Declarations shall constitute a contract with the Owners, and shall be enforceable by them.

c. Delegation. The City's Debt Manager, City Treasurer, Chief Financial Officer of the Bureau of Financial Services, 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:

1. Issue the 2011 Bonds in one or more series.
2. Provide that any series of 2011 Bonds may be issued as tax-exempt bonds, taxable bonds or taxable bonds that are eligible for a federal interest subsidies or tax credits.
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 2011 Bonds.
4. Establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, and other terms for each series of the 2011 Bonds, and either publish a notice of sale, receive bids and award the sale of that series to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters and negotiate the sale of that series with those underwriters and execute and deliver a bond purchase agreement with such underwriters in connection with such sale.
5. Undertake to provide continuing disclosure for each series of the 2011 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
6. Apply for and purchase municipal bond insurance or obtain other forms of credit enhancements for each series of the 2011 Bonds or obtain reserve credit facilities or other reserve sureties for each series of the 2011 Bonds, enter into agreements with the providers of credit enhancement or reserve sureties, and execute and deliver related documents.
7. Finalize the terms of, execute and deliver a master bond declaration for the Area, which shall be in substantially the form attached to this Ordinance as Exhibit A,

but with such changes as the Debt Manager may approve, and one or more supplemental declarations (collectively, the "Declarations").

8. Appoint and enter into agreements with paying agents and other professionals and service providers.
9. Apply proceeds of the 2011 Bonds to pay and retire interim financing for urban renewal projects in the Area, fund debt service reserves and pay costs relating to the 2011 Bonds.
10. Enter into covenants to maintain the ability of owners of any series of 2011 Bonds to exclude interest payments from gross income under the Internal Revenue Code, as amended, or to maintain the ability of the City to receive federal interest subsidies.

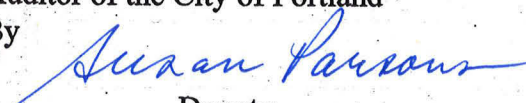
Section 2. The Council declares that an emergency exists in order that Bonds may be issued while interest rates are favorable; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council, DEC 08 2010

Mayor Sam Adams  
Prepared by: Bond Counsel:EJ:PT  
November 22, 2010

LAVONNE GRIFFIN-VALADE  
Auditor of the City of Portland

By

  
Deputy

Agenda No.  
**ORDINANCE NO.**  
 Title

184290

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Sam Adams</b>	CLERK USE: DATE FILED <u>DEC 03 2010</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Adams 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 By: <u>[Signature]</u> Deputy
<b>BUREAU APPROVAL</b> Bureau: Financial Services Bureau Head: Rich Goward Prepared by: Eric Johansen:PT Date Prepared: November 22, 2010	<b>ACTION TAKEN:</b>
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <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 December 8, 2010	
City Attorney Approval	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: <u>5 minutes</u> (for presentation, testimony and discussion)

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