

ORDINANCE No. 184519

Authorize revenue bonds for Portland-Milwaukie light rail project (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 (the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the "revenues" of the City, as defined in the Act. The Act defines "revenues" 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 (the "Revenues").
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 determined that there is a need for up to \$45 million of revenue bonds to finance a grant to the Tri-County Metropolitan Transportation District to pay a share of the costs of the Portland-Milwaukie light rail project (the "Project").

NOW, THEREFORE, the Council directs:

- a. Revenue Bonds Authorized. The City hereby authorizes the issuance of revenue bonds (the "Bonds") in an amount sufficient to produce not more than \$45 million (Forty-Five Million Dollars) to finance the direct costs of the Project, plus additional amounts to pay the costs of issuing the Bonds and fund any required debt service reserves. The aggregate principal amount of Bonds required for these purposes is estimated not to exceed \$49,800,000 (Forty-Nine Million Eight Hundred Thousand Dollars). The Bonds authorized by this ordinance shall be payable solely from all Revenues of the City which may be legally committed to pay the Bonds. The Bonds are expected to be paid from gas tax revenues, city-wide wide transportation system development charges, North Macadam transportation system development overlay charges, Portland Innovation Quadrant transportation system development overlay charges, parking revenues received by the Portland Bureau of Transportation and other transportation revenues (collectively, the "Transportation Revenues"). The Bonds will be secured by the full faith and credit and Available General Funds of the City. If Transportation Revenues are not sufficient to pay the debt service on the bonds, resources of the General Fund may be required to pay debt service.

- b. 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.
- c. 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.
- d. Delegation. After this ordinance takes effect 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 and without further action by the Council:
 - 1. issue the Bonds in one or more series, which may be sold at different times;
 - 2. issue one or more series of the Bonds to provide interim financing for the Project, enter into lines of credit or similar documents which permit the City to draw Bond proceeds over time, and issue Bonds to refund the Bonds that provide interim financing for the Project;
 - 3. determine whether to pledge any Transportation Revenues to pay any series of Bonds and pledge or otherwise commit particular Transportation Revenues to pay particular series of Bonds;
 - 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 each series of the Bonds;
 - 5. subject to the limits in 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;
 - 6. select one or more commercial banks or underwriters and negotiate the sale of any series with those commercial banks or underwriters, or 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;
 - 7. 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;
 - 8. apply for and purchase municipal bond insurance or other forms of credit enhancement for any series of the Bonds, and enter into related agreements;

9. finalize the terms of, execute, and deliver bond declarations that describe the terms of each series of the Bonds. The bond declarations may also contain covenants for the benefit of the owners and any credit enhancement providers;
10. appoint and enter into agreements with service providers for the Bonds;
11. determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, or is includable in gross income under that code. If a series bears interest that is excludable from gross income under that code, the Debt Manager may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income;
12. if Congress enacts laws allowing the City to receive federal interest subsidies, such as the federal interest subsidies that were available for "build America bonds" and "recovery zone economic development bonds," issue any series of Bonds so that they qualify for the federal interest subsidies, and enter into any covenants that are desirable to obtain those subsidies;
13. execute any documents and take any other action in connection with the Bonds which the Debt Manager finds will be advantageous to the City.

Passed by the Council, APR 13 2011

Mayor Sam Adams

Prepared by: Bond Counsel:EJ/JB

Date Prepared: March 25, 2011

Lavonne Griffin-Valade

Auditor of the City of Portland

By



Deputy

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Agenda No.
ORDINANCE NO. 184519
Title

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<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams <i>K. Biltmann on behalf of Mayor Adams</i></p> <p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p> <p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Financial Services Bureau Head: Rich Goward</p> <p>Prepared by: <i>ES for JB</i> Jonas Biery:KB Date Prepared: March 25, 2011</p> <p>Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Council Meeting Date April 6, 2011</p> <p>City Attorney Approval</p>	<p>CLERK USE: DATE FILED <u>APR 01 2011</u></p> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p>ACTION TAKEN:</p> <p>APR 06 2011 PASSED TO SECOND READING APR 13 2011 9:30 A.M.</p>
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AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/> <i>2 of 3</i></p> <p>Start time: <u>9:30</u></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 5 minutes (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	<input checked="" type="checkbox"/>	
Adams	<input checked="" type="checkbox"/>	