

ORDINANCE No. 184818

Authorize gas tax revenue bonds to finance transportation capital projects and to refinance outstanding gas tax revenue bonds (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 revenue bonds to finance up to \$15,000,000 of costs of transportation capital projects that are eligible to be financed with gas tax revenues under Article IX, Section 3a of the Oregon Constitution (the "Projects").
4. It may be advantageous for the City to refund outstanding gas tax revenue bonds with bonds authorized by this ordinance.

NOW, THEREFORE, the Council directs:

- a. Revenue Bonds Authorized. The City hereby authorizes the issuance of gas tax revenue bonds in an amount that does not exceed the sum of: an amount sufficient to produce Fifteen Million Dollars (\$15,000,000) to finance the direct costs of Projects; an amount sufficient to refund any gas tax revenue bonds that are currently outstanding; the estimated costs of issuing the gas tax revenue bonds authorized by this ordinance (the "Bonds"); plus amounts required to fund debt service reserves for the Bonds. The aggregate principal amount of Bonds required for these purposes is estimated not to exceed Eighteen Million Seven Hundred and Fifty Thousand Dollars (\$18,750,000). The Bonds shall be payable only from gas tax revenues and related amounts.
- 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 Projects, 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 Projects;
 3. issue any series of Bonds on a parity with the City's outstanding gas tax revenue bonds pursuant to Section 1.G.2 of the City's Master Gas Tax Revenue Bond Ordinance (City Ordinance No. 170507);
 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 lenders or underwriters and negotiate the sale of any series with those commercial banks or lenders, 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 ratings and purchase municipal bond insurance, reserve sureties 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. refund, call and redeem any outstanding gas tax revenue bonds that are refunded with Bonds, and apply Bond proceeds or gas tax revenues to pay outstanding gas tax revenue bonds; and
 14. execute any documents and take any other action in connection with the Bonds which the Debt Manager finds will be advantageous to the City.
- e. Formal Amendments to Master Gas Tax Revenue Bond Ordinance. The Master Gas Tax Revenue Bond Ordinance is amended to add the following new Section 1.U:

U. Gas Tax Bonds Authorized in 2011.

The City is hereby authorized to issue Additional Gas Tax Bonds in one or more series (the "Section 1.U Bonds"). The principal amount of the Section 1.U Bonds shall not exceed the sum of: an amount sufficient to produce Fifteen Million Dollars (\$15,000,000) to finance the direct costs of projects that are eligible for financing with Gas Tax Revenues; an amount sufficient to refund any gas tax revenue bonds that are outstanding in July, 2011; the estimated costs of issuing the Section 1.U Bonds; plus amounts required to fund debt service reserves for the Section 1.U Bonds. 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 may act as Debt Manager under this Master Gas Tax Revenue Bond Ordinance and take any action and approve and execute any documents that are required to issue the Section 1.U Bonds as Additional Gas Tax Bonds under the Master Gas Tax Revenue Bond Ordinance.

Passed by the Council, AUG 17 2011

Mayor Sam Adams
Prepared by: Bond Counsel:JB/KB
Date Prepared: July 18, 2011

Lavonne Griffin-Valade
Auditor of the City of Portland

By



Deputy

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Agenda No.
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Title

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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>AUG 05 2011</u>
COMMISSIONER APPROVAL	LaVonne Griffin-Valade Auditor of the City of Portland
Mayor—Finance and Administration - Adams <i>[Signature]</i>	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	By: <u><i>[Signature]</i></u> Deputy
Position 3/Affairs - Saltzman	ACTION TAKEN:
Position 4/Safety - Leonard	AUG 10 2011 PASSED TO SECOND READING AUG 17 2011 9:30 A.M
BUREAU APPROVAL	
Bureau: Financial Services <i>[Signature]</i> Bureau Head: Rich Goward	
Prepared by: B. Jonas Biery: KB <i>[Signature]</i> Date Prepared:	
Financial Impact & Public Involvement 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"/>	
Council Meeting Date August 10, 2011	
City Attorney Approval	

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

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