

ORDINANCE No. 185348

* Authorize River District urban renewal and redevelopment refunding bonds (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City issued its River District Urban Renewal and Redevelopment Bonds 2003 Series A (Tax Exempt) and 2003 Series B (Federally Taxable) (collectively, the “Refundable Bonds”) to finance projects described in the urban renewal plan for the River District Urban Renewal Area. The Refundable Bonds are currently outstanding in the amount of \$42,410,000.
2. Current interest rates are lower than the interest rates borne by the Refundable Bonds and the City may be able to obtain debt service savings by refunding all or a portion of the Refundable Bonds.
3. Additionally, it may be advantageous for the City to refund all or a portion of the Refundable Bonds to achieve a favorable restructuring of debt and release of onerous covenants and restrictions of the Refundable Bonds.
4. The City is authorized by Section 15-106 of the City Charter to issue bonds that are payable from the tax increment revenues of an urban renewal district if the Portland Development Commission requests the City to issue the bonds and authorizes the Commission to pledge those tax increment revenues with the Concurrence of the City Council, and is authorized by ORS Chapter 287A to refinance its bonds.
5. The Portland Development Commission has adopted a resolution requesting the City to issue bonds that are secured by the tax increment revenues of the River District Urban Renewal Area, and authorizing the City’s Debt Manager to pledge those revenues on behalf of the Commission.
6. The City adopts this ordinance to authorize the refunding of all or any portion of the City’s Refundable Bonds to achieve debt service savings or a favorable restructuring of debt for the River District Urban Renewal Area.
7. The Refunding Bonds may be issued contemporaneously with bonds previously authorized by Ordinance No. 183262 adopted by the City Council on October 21, 2009 to refinance interim financing obtained for the low income housing portion of the Resource Access Center (now known as the Bud Clark Commons) located in the River District Urban Renewal Area (the “RAC Refunding Bonds”). Before issuing the RAC Refunding Bonds, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) requires that the City publish notice, hold a public hearing, and approve the issuance of the RAC Refunding Bonds.

8. On April 23, 2012, a public hearing was held after publication of notice of the hearing in *The Daily Journal of Commerce* on April 5, 2012. The results of the hearing have been reported to the Council. The Council adopts this Ordinance, in part, to provide the approval required by Section 147(f) of the Code.
9. Attached hereto as *Exhibits A* and *B*, respectively, are copies of the publisher's affidavit evidencing publication of the Notice of Public Hearing and the Report of a Public Hearing held by a designated hearing officer the City of Portland, Oregon on April 23, 2012.

NOW, THEREFORE, the Council directs:

- a. Authorization of Refunding Bonds. The City hereby authorizes the sale and delivery of tax increment bonds (the "Refunding Bonds") pursuant to Section 15-106 of the City Charter and ORS Chapter 287A to refund all or any portion of the City's Refundable Bonds to obtain debt service savings or a favorable restructuring of debt. The Refunding Bonds may be issued in an amount sufficient to pay and redeem the Refundable Bonds being refunded and to pay costs related to the Refunding Bonds.
- b. Security. The Refunding Bonds that are authorized by this ordinance may be secured by all or any portion of the tax increment revenues of the River District Urban Renewal Area and any related amounts including proceeds, debt service reserves and earnings.
- c. Delegation. The Debt Manager of the City, the City Treasurer, the Chief Financial Officer of the Bureau of Financial Services, the 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 of the Council:
 1. Provide that the Refunding Bonds may be issued in one or more series which may be sold at different times.
 2. 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 Refunding Bonds.
 3. 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 Refunding Bonds, and either 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, or select one or more underwriters or lenders and negotiate the sale of any series with those underwriters or lenders.
 4. Undertake to provide continuing disclosure for each series of the Refunding Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

5. Finalize the terms of, execute and deliver bond declarations or supplemental bond declarations that describe the terms of each series of the Refunding Bonds. The bond declarations may also contain covenants for the benefit of the owners of the Refunding Bonds.
 6. Appoint and enter into agreements with escrow agents, paying agents, verification agents and other professionals and service providers for the Refunding Bonds.
 7. Enter into covenants to maintain the excludability of interest on each series of the Refunding Bonds from gross income under the Internal Revenue Code of 1986, as amended.
 8. If permitted by federal law, issue Refunding Bonds as taxable bonds that are eligible for federal interest subsidies or tax credit.
 9. Execute any documents and take any other action in connection with the Refunding Bonds which the Debt Manager finds will be advantageous to the City.
- d. Approval. The issuance of the RAC Refunding Bonds are hereby approved for the purpose of satisfying the requirements of Section 147(f) of the Code.

Section 2. The Council declares that an emergency exists in order that Refunding 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: MAY 23 2012

Mayor Sam Adams

Prepared by: Bond Counsel: Jonas Biery

Date Prepared: April 20, 2012

LaVonne Griffin-Valade

Auditor of the City of Portland

By

Gayla Jennings

Deputy

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Agenda No.
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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>MAY 18 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams <i>[Signature]</i> 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: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: Financial Services Bureau Head: Rich Goward <i>[Signature]</i> Prepared by: Jonas Biery:PT Date Prepared: April 20, 2012	ACTION TAKEN:
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 May 23, 2012	
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 checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	