

## ORDINANCE No. 187449

Authorize \$45 million of financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and authorize refunding of any interim financing (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 and related statutes (the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the "revenue" of the City, as defined in ORS 287A.001(16). ORS 287A.001(16) defines "revenue" 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 City is also authorized to issue revenue bonds to refund revenue bonds pursuant to ORS 287A.360 to 287A.375.
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. It will be beneficial to borrow money under the Statute to provide financing for the current and proposed costs of carrying out the urban renewal plan for the River District Urban Renewal Area (the "River District Projects").
4. Section 15-106 of the Charter of the City authorizes the City Council, upon request of the Board of the Portland Development Commission ("PDC Board"), to issue bonds that are expected to be paid solely from resources of the Portland Development Commission ("the Commission").
5. The PDC Board adopted Resolution 7149 to request that the City Council issue bonds for the River District Projects to be repaid from Commission resources, which may include proceeds from the sale of property and program income.
6. To allow the City to match the anticipated maturity date of the financings to the expected cash flows that pay debt service, it is beneficial to concurrently authorize the issuance of bonds to refinance any interim financing.
7. To reduce the costs of the financings described in the preceding paragraphs, the City may pledge its full faith and credit and agree to pay those financings from the City's tax revenues and all other legally available funds of the City, although the City expects the financings to be repaid from Commission resources.

NOW, THEREFORE, the Council directs:

- a. Revenue Bonds Authorized. The City is hereby authorized to issue bonds under the Statute to provide financing for River District Projects, to pay capitalized interest and costs of issuance. The maximum principal amount of revenue bonds that are authorized by this Section 1.a shall not exceed \$45,000,000.
- b. Refunding Bonds Authorized. If all or any portion of the revenue bonds authorized by Section 1.a are issued to provide interim financing for the River District Projects, the City may issue revenue bonds to refund those interim financing bonds and pay associated costs pursuant to ORS 287A.360 to 287A.375. The revenue bonds that are authorized by this Section 1.b may be issued in amounts that are sufficient to refund any interim financing that is obtained under Section 1.a, plus additional amounts sufficient to pay accrued interest on any interim financing, and the estimated costs related to issuing the refunding bonds authorized by this Section 1.b and repaying the interim financing.
- c. Security and Use of Bond Proceeds. The revenue bonds authorized by Sections 1.a and 1.b of this ordinance (the "Bonds") shall be secured by the full faith and credit and available general funds of the City. The City expects the Bonds to be repaid from Commission resources, but those resources are not pledged to the repayment of the Bonds. Proceeds of the Bonds may be spent only to pay River District Projects and costs related to issuing, paying and refunding the Bonds.
- d. 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.
- e. 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.
- f. Delegation. After this ordinance takes effect the City's Debt Manager, City Treasurer, Chief Financial Officer and Director of the Bureau of Revenue and 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 and in combination with other series of revenue bonds authorized by the Council.
  2. Issue one or more series of the Bonds to provide interim financing for River District Projects, enter into lines of credit or similar documents which permit the City to draw Bond proceeds over time, and issue short or long term Bonds to refund the Bonds that provide interim financing for the River District Projects.

3. Issue one or more series of the Bonds to provide long term financing for the River District Projects.
4. Participate in the preparation of, authorize the distribution of, and deem final preliminary and final official statements or 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, 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.
6. 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.
7. Finalize the terms of, execute, and deliver bond declarations or other documents that describe the terms of each series of the Bonds. The bond declarations or other documents may also contain covenants for the benefit of the owners.
8. Appoint and enter into agreements with service providers for the Bonds.
9. Issue any qualifying series of Bonds as "tax-exempt bonds" bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the "Code") and enter into covenants for the benefit of the owners of those series to maintain the excludability of interest on those series from gross income under the Code.
10. Issue any qualifying series of Bonds as "tax credit bonds," "federal subsidy bonds" or other obligations that are eligible for federal tax credits, federal interest rate subsidies or other federal benefits, and enter into any covenants and take any actions that are required to qualify for those federal benefits.
11. Issue any series of Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.
12. Apply for and purchase municipal bond insurance or obtain other forms of credit enhancements for any series of Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

13. Execute and deliver any other documents and take any other action in connection with the Bonds that the Debt Manager finds will be advantageous to the City.

Passed by the Council, NOV 18 2015

Mayor Charlie Hales

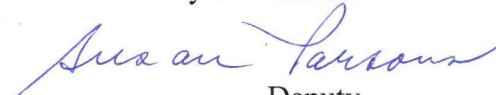
Prepared by: Bond Counsel: Ken Rust

Date Prepared: October 21, 2015

**Mary Hull Caballero**

Auditor of the City of Portland

By

  
Deputy

~~1160~~ - 1199  
 Agenda No. 187449  
**ORDINANCE NO.**  
 Title

Authorize \$45 million of financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and authorize refunding of any interim financing (Ordinance)

<p style="text-align: center;"><b>INTRODUCED BY</b>          Commissioner/Auditor:  <b>Mayor Charlie Hales</b></p>	<p>CLERK USE: DATE FILED <u>OCT 27 2015</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales <i>HP</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero          Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u>          Deputy</p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Revenue &amp; Financial Svcs.          Bureau Head: Ken Rust <i>KLR</i></p> <p>Prepared by: Bond Counsel:          Ken Rust          Date Prepared: 10/21/2015</p> <p>Impact Statement          Completed <input checked="" type="checkbox"/> Amends Budget <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><b>City Auditor Office Approval:</b>          required for Code Ordinances</p> <p><b>City Attorney Approval:</b>          required for contract, code, easement, franchise, comp plan, charter</p> <p>Council Meeting Date <b>11/5/2015</b></p>	<p><b>ACTION TAKEN:</b></p> <p><b>NOV 05 2015 PASSED TO SECOND READING NOV 18 2015 9:30 A.M.</b></p>

<p><b>AGENDA</b> <span style="float: right;">2093</span></p>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/>          Start time: <u>2:00 p.m.</u></p> <p><b>Total amount of time needed: 5 minutes</b>          (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p><b>Total amount of time needed: _____</b>          (for presentation, testimony and discussion)</p>

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