

## ORDINANCE No. 187450

Authorize \$90 million of interim financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and long-term bonds to repay the 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 (the "Statute"). Revenue bonds issued under the Statute 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 mean 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.
2. The City may authorize revenue bonds under the Statute by nonemergency ordinance. The City may not sell the revenue bonds under the Statute 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 interim financing for the current and proposed costs of carrying out the urban renewal plan for the River District Urban Renewal Area (the "Area").
4. To reduce the costs of the interim financings described in the preceding paragraph, 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, including tax increment revenues from the Area.
5. The City is also authorized by Section 15-106 of the City Charter to issue bonds that are payable from the tax increment revenues of the Portland Development Commission's urban renewal areas, including the Area, and is authorized by ORS Chapter 287A to refinance its bonds. To ensure that the City's general fund is protected, and that the full faith and credit commitments authorized by this ordinance are reduced as soon as practical, it is beneficial to concurrently authorize the issuance of long-term tax increment bonds to refinance the full faith and credit interim financing obligations that are authorized by this ordinance.

NOW, THEREFORE, the Council directs:

- a. Interim Bonds Authorized. The City is hereby authorized to issue bonds (the "Interim Bonds") under the Statute to provide interim financing for the current and proposed costs of carrying out the urban renewal plan for the Area, and to refinance outstanding interim financings. The maximum principal amount of Interim Bonds that are issued under this ordinance shall not exceed \$90,000,000.

- b. Security. The Interim Bonds authorized by this ordinance shall be secured by a pledge of the tax increment revenues of the Area. In addition, 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 pledge the City's full faith and credit and available funds to secure the Interim Bonds.
- c. No Additional Taxes Authorized. No Interim Bonds shall be general obligations of the City and neither the authorization nor the issuance of any Interim Bonds shall authorize the City to levy any additional taxes.
- d. Procedure. No Interim Bonds may be sold and no purchase agreement for any Interim 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 Interim Bonds unless the voters approve this ordinance.
- e. Delegation for Interim Bonds. After this ordinance takes effect the Debt Manager may, on behalf of the City and without further action by the Council:
  - 1. select one or more commercial banks, underwriters or other purchasers of the Interim Bonds and negotiate the sale of the Interim Bonds with those bankers, underwriters or purchasers;
  - 2. issue one or more Interim Bonds, provide that the Interim Bonds shall secure lines of credit, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, and other terms of the Interim Bonds;
  - 3. renew or extend the Interim Bonds;
  - 4. participate in the preparation of, authorize the distribution of, and deem final any disclosure documents for the Interim Bonds;
  - 5. enter into covenants to secure the Interim Bonds, including covenants to issue obligations to refinance the Interim Bonds, and covenants to levy, collect and apply tax increment revenues from the Area to pay the Interim Bonds;
  - 6. determine with respect to each Interim Bond whether such Interim Bond will bear interest which is excludable from gross income for federal income tax purposes, will bear interest which is includable in gross income for federal income tax purposes, and/or will be issued as an obligation that is eligible for federal interest subsidies;
  - 7. covenant to comply with any requirements of federal law that are necessary either for interest on tax-exempt Interim Bonds to be excludable from gross income for

federal income tax purposes or to receive any available federal interest subsidies in connection with the Interim Bonds;

8. issue, sell and deliver the Interim Bonds; and,
  9. execute lines of credit, loan agreements, and any other documents, and take any other action in connection with the Interim Bonds which the Debt Manager finds is desirable to carry out this ordinance.
- f. Long-term Bonds Authorized. The City is hereby authorized to issue one or more series of tax increment bonds secured by revenues of the Area (the "Long-term Bonds") under the Statute, the City Charter and the relevant provisions of ORS Chapter 287A to refinance any Interim Bonds that are issued pursuant to this ordinance. Each series of Long-term Bonds is authorized to be issued in an amount sufficient to refund the Interim Bonds to be refunded with that series, plus an amount to fund any debt service reserves for the Long-term Bonds, plus additional amounts sufficient to pay the estimated costs related to issuing the Long-term Bonds and repaying the Interim Bonds.
- g. Security for Long-term Bonds. Each series of Long-term Bonds shall be secured solely by the tax increment revenues of the Area, and any related amounts such as debt service reserves.
- h. Procedure. No Long-term Bonds may be sold and no purchase agreement for Long-term 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 Long-term Bonds unless the voters approve this ordinance.
- i. Delegation for Long-term Bonds. The Debt Manager may, on behalf of the City:
1. issue the Long-term Bonds in one or more series;
  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 Long-term Bonds;
  3. 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 Long-term 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 or other lenders and negotiate the sale of that series with those underwriters or other lenders and execute and deliver a bond purchase agreement with such underwriters or other lenders in connection with such sale;
  4. undertake to provide continuing disclosure for each series of the Long-term Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;

5. apply for and purchase municipal bond insurance or obtain other forms of credit enhancements for each series of the Long-term Bonds or obtain reserve credit facilities or other reserve sureties for each series of the Long-term Bonds, enter into agreements with the providers of credit enhancement or reserve sureties, and execute and deliver related documents;
6. issue the Long-term Bonds on a parity with the outstanding bonds for the Area;
7. finalize the terms of, execute and deliver a bond declaration for each series of Long-term Bonds, which describes the security for the series, makes covenants for the benefits of owners and purchasers of that Series, and describes the terms and administrative provisions of the series;
8. appoint and enter into agreements with paying agents and other professionals and service providers;
9. apply proceeds of the Long-term Bonds to pay and retire outstanding Interim Bonds;
10. determine with respect to each Long-term Bond whether such Long-term Bond will bear interest which is excludable from gross income for federal income tax purposes, will bear interest which is includable in gross income for federal income tax purposes, and/or will be issued as an obligation that is eligible for federal interest subsidies;
11. covenant to comply with any requirements of federal law that are necessary either for interest on tax-exempt Long-term Bonds to be excludable from gross income for federal income tax purposes or to receive any available federal interest subsidies in connection with the Long-term Bonds; and
12. execute and deliver any other documents, and take any other action in connection with the Long-term Bonds which the Debt Manager finds is desirable to carry out this ordinance.

Passed by the Council, NOV 18 2015

Mayor Charlie Hales

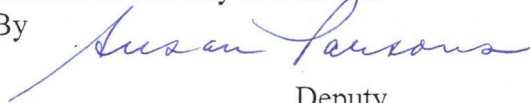
Prepared by: Bond Counsel: Ken Rust

Date Prepared: October 21, 2015

Mary Hull Caballero

Auditor of the City of Portland

By



Deputy

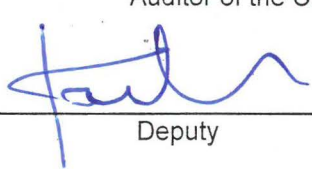
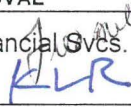


~~1161~~ - 1200

✓140

Agenda No.  
**ORDINANCE NO. 187450**  
Title

Authorize \$90 million of interim financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and long-term bonds to repay the interim financing (Ordinance)

|   |  |
|---|--|
| INTRODUCED BY<br>Commissioner/Auditor:<br><b>Mayor Charlie Hales</b>  | CLERK USE: DATE FILED <u>OCT 27 2015</u>   |
| COMMISSIONER APPROVAL   | Mary Hull Caballero<br>Auditor of the City of Portland   |
| Mayor—Finance and Administration - Hales  | By: <br>Deputy |
| Position 1/Utilities - Fritz  |  |
| Position 2/Works - Fish   |  |
| Position 3/Affairs - Saltzman   |  |
| Position 4/Safety - Novick  |  |
| BUREAU APPROVAL   | ACTION TAKEN:  |
| Bureau: Revenue & Financial Svcs.<br>Bureau Head: Ken Rust                       | NOV 05 2015 PASSED TO SECOND READING NOV 18 2015 9:30 A.M.                                       |
| Prepared by: Bond Counsel:<br>Ken Rust<br>Date Prepared: 10/21/2015   |  |
| Impact Statement<br>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>  |  |
| Portland Policy Document<br>If "Yes" requires City Policy paragraph stated<br>in document.<br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |  |
| City Auditor Office Approval:<br>required for Code Ordinances   |  |
| City Attorney Approval:<br>required for contract, code, easement,<br>franchise, comp plan, charter  |  |
| Council Meeting Date 11/5/2015  |  |

|   |
|---|
| AGENDA 3 of 3   |
| <b>TIME CERTAIN</b> <input checked="" type="checkbox"/><br>Start time: 2:00 p.m.<br><br>Total amount of time needed: <u>5 minutes</u><br>(for presentation, testimony and discussion) |
| <b>CONSENT</b> <input type="checkbox"/>   |
| <b>REGULAR</b> <input type="checkbox"/><br><br>Total amount of time needed: _____<br>(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. Novick          | 4. Novick                       | <input checked="" type="checkbox"/> |      |
| Hales              | Hales                           | <input checked="" type="checkbox"/> |      |