

**ORDINANCE No. 187999**

Authorize revenue bonds for urban renewal areas (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 City's urban renewal plans and to refinance outstanding interim financings.
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 or any portion thereof from the City's tax revenues and all other legally available funds of the City, including tax increment revenues.
5. The City is authorized to issue bonds to refund bonds under ORS 287A.360 to 287A.375.
6. 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. To maximize the City's flexibility, it is beneficial to concurrently authorize the issuance of long-term tax increment bonds to refinance the interim financing obligations that are authorized by this ordinance.

NOW, THEREFORE, the Council directs:

- a. Bonds Authorized. The City is hereby authorized to issue bonds under the Statute to provide interim or long-term financing for the current and proposed costs of carrying out the City's urban renewal plans, and to refinance outstanding interim financings. The maximum amount of bonds that may be issued under this section 1.a shall not exceed the following principal amounts for the following urban renewal areas:

<u>Urban Renewal Area</u>	<u>Maximum Principal Amount</u>
Central Eastside	\$ 6,220,000
Gateway Regional Center	17,640,000
Interstate Corridor	19,620,000
Lents Town Center	46,435,000
North Macadam	22,390,000
<b>TOTAL</b>	<b>\$112,305,000</b>

The City may, in addition, issue up to \$11.23 million of bonds under this Section 1.a to fund debt service reserves for bonds authorized by this ordinance.

- b. Refunding Bonds Authorized. The City is hereby authorized to issue one or more series of bonds to refund the bonds authorized by Section 1.a of this ordinance and any bonds that refund bonds authorized by Section 1.a of this ordinance. Refunding Bonds may be issued to provide interim or long-term financing, and may be issued under ORS 287A.360 to 287A.375, under the Statute or under the City Charter. Each series of refunding bonds authorized by this Section 1.b may be issued in an amount sufficient to pay or defease the bonds that are being refunded, plus the amount of any debt service reserves for the refunding bonds, plus additional amounts sufficient to pay the estimated costs related to issuing the refunding bonds and repaying the refunded bonds.
- c. Security. To secure each series of bonds that are issued under Section 1.a or Section 1.b of this ordinance (collectively, the "Bonds") the City's Debt Manager, 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 tax increment revenues of the related urban renewal area, or the City's full faith and credit and taxing power, or both.
- 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. The Debt Manager may, on behalf of the City:
  1. issue the 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 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 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. enter into lines of credit and issue Bonds to secure those lines of credit;
5. extend or renew Bonds;
6. undertake to provide continuing disclosure for each series of the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;
7. apply for and purchase municipal bond insurance or obtain other forms of credit enhancements for each series of the Bonds or obtain reserve credit facilities or other reserve sureties for each series of the Bonds, enter into agreements with the providers of credit enhancement or reserve sureties, and execute and deliver related documents;
8. determine the security for each series of Bonds within the limits established in Section 1.c of this ordinance.
9. for urban renewal areas with outstanding long-term urban renewal and redevelopment bonds, issue Bonds on parity with such outstanding bonds;
10. issue Bonds with a subordinate lien on tax increment revenues of the applicable area; *provided, however*, prior to the issuance of subordinate long-term Bonds, the Debt Manager shall present to Council for approval, which may be by emergency ordinance, a substantially final form of a master bond document for the urban renewal area that describes the security for such subordinate Bonds and future parity obligations, makes covenants for the benefits of owners and purchasers of the subordinate Bonds and future parity obligations, and describes the terms and administrative provisions of the subordinate Bonds and future parity obligations;
11. for urban renewal areas without outstanding long-term urban renewal and redevelopment bonds, issue Bonds that are the first obligations for an urban renewal area; *provided, however*, prior to the issuance of senior lien long-term Bonds, the Debt Manager shall present to Council for approval, which may be by emergency ordinance, a substantially final form of a master bond document for the urban renewal area that describes the security for such Bonds and future parity obligations, makes covenants for the benefits of owners and purchasers of the Bonds and future parity obligations, and

describes the terms and administrative provisions of the Bonds and future parity obligations; finalize the terms of, execute and deliver a bond declaration, line of credit, bond purchase agreement or other document for each series of 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;

12. appoint and enter into agreements with paying agents and other professionals and service providers;
13. apply proceeds of the Bonds to pay and retire bonds that are refunded;
14. determine with respect to each Bond whether such 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;
15. covenant to comply with any requirements of federal law that are necessary either for interest on tax-exempt Bonds to be excludable from gross income for federal income tax purposes or to receive any available federal interest subsidies in connection with the Bonds; and
16. execute and deliver any other documents, and take any other action in connection with the Bonds which the Debt Manager finds is desirable to carry out this ordinance.

Passed by the Council: **SEP 21 2016**

Mayor Charlie Hales

Prepared by: Bond Counsel: Eric Johansen

Date Prepared: August 31, 2016

Mary Hull Caballero  
Auditor of the City of Portland  
By

  
Deputy



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Agenda No.  
**ORDINANCE NO. 187999**  
 Title

Authorize revenue bonds for urban renewal areas (Ordinance)

INTRODUCED BY Commissioner/Auditor: <b>Mayor Charlie Hales</b>	CLERK USE: DATE FILED <u>SEP 06 2016</u>
COMMISSIONER APPROVAL <i>CH</i> Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland  By: <i>[Signature]</i> Deputy  ACTION TAKEN:  SEP 14 2016 <b>PASSED TO SECOND READING</b> SEP 21 2016 <b>9:30 A.M.</b>
BUREAU APPROVAL Bureau: Revenue & Financial Svcs. Bureau Head: Ken Rust <i>KJR</i>	
Prepared by: Bond Counsel: Eric Johansen <i>EJH</i> Date Prepared: 8/31/2016	
Impact 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"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date 9/14/2016	

<b>AGENDA</b>  <u>TIME CERTAIN</u> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)	<b>FOUR-FIFTHS AGENDA</b>	<b>COMMISSIONERS VOTED AS FOLLOWS:</b>	
<u>CONSENT</u> <input type="checkbox"/>  <u>REGULAR</u> <input checked="" type="checkbox"/> Total amount of time needed: <b>5 minutes</b> (for presentation, testimony and discussion)	1. Fritz 2. Fish 3. Saltzman 4. Novick Hales	1. Fritz 2. Fish 3. Saltzman 4. Novick Hales	YEAS <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
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