

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7206

REQUESTING THE CITY COUNCIL TO ISSUE BONDS FOR THE CITY'S URBAN RENEWAL AREAS; PLEDGING REVENUES FROM THOSE AREAS TO THOSE BONDS; AND AUTHORIZING ADDITIONAL COVENANTS

WHEREAS, the City of Portland ("City") has previously executed lines of credit to provide interim financing for projects carried out under the City's urban renewal plans, which have now expired or are expiring;

WHEREAS, the Portland Development Commission ("PDC") Board of Commissioners ("Board") desires the City Council ("Council") to issue bonds (the "Interim Bonds") 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 for the following urban renewal areas ("URAs"): Central Eastside, Gateway Regional Center, Interstate Corridor, Lents Town Center, and North Macadam;

WHEREAS, Section 15-106 of the Charter of the City authorizes the Council, upon request of the PDC Board, to issue bonds which are payable from the tax increment revenues of the City's URAs, and authorizes PDC, with the concurrence of the Council, to pledge those tax increment revenues to pay those bonds;

WHEREAS, it may enhance the security for, reduce the interest rate on, and facilitate the payment of, the Interim Bonds if the Council and the PDC Board have the authority to pledge the City's full faith and credit to pay the Interim Bonds from the City's legally available funds and have the authority to pledge the tax increment revenues of each URA to pay the bonds issued to finance or refinance projects in that URA; and

WHEREAS, to maintain flexibility, it is beneficial for the Council to concurrently authorize the issuance of the Interim Bonds and long-term tax increment bonds (the "Long-Term Bonds") to refinance the Interim Bonds; and

WHEREAS, the City's Office of Management and Finance has reviewed and supports this action and Council is requested to approve an ordinance authorizing the issuance of the Interim Bonds and Long-Term Bonds for urban renewal projects;

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board hereby requests Council to issue Interim Bonds and Long-Term Bonds (collectively, the "Bonds") for the following URAs: Central Eastside, Gateway Regional Center, Interstate Corridor, Lents Town Center, and North Macadam; and

BE IT FURTHER RESOLVED, that the amount of Interim Bonds issued for each URA shall not exceed the following principal amounts for the following URAs; and

Urban Renewal Area

Maximum Principal Amount

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
TOTAL	<u><u>\$112,305,000</u></u>

BE IT FURTHER RESOLVED, that the amount of Long-Term Bonds issued for each URA shall not exceed an amount sufficient to refund the Interim Bonds to be refunded with those Long-Term Bonds, 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; and

BE IT FURTHER RESOLVED, that the PDC Board authorizes the Executive Director and the City, on behalf of PDC, to pledge all tax increment revenues of each URA to pay each series of Bonds which the City issues in response to this resolution to finance and refinance projects in that URA, and authorizes the PDC and the City to enter into more detailed pledges to secure the Bonds; and

BE IT FURTHER RESOLVED, that the PDC Board authorizes the Executive Director and the City, on behalf of PDC, to covenant for the benefit of the owners of each series of Bonds requested in this resolution to take any actions required to collect tax increment revenues; and

BE IT FURTHER RESOLVED, that the PDC Board hereby authorizes the Executive Director and the City, on behalf of the PDC and without further action by the PDC Board, to enter into any of the covenants described in this resolution for the benefit of the owners of the Bonds, to enter into additional covenants to secure the Bonds; and to execute such agreements and take such additional actions as may be required to issue, sell and deliver the Bonds on terms favorable to the City and PDC; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.