RESOLUTION NO. 6830

REQUESTING THE CITY COUNCIL TO ISSUE BONDS FOR THE CITY’S URBAN RENEWAL AREAS; PLEDGING REVENUES FROM THOSE AREAS TO THOSE BONDS; COVENANTING TO IMPOSE SPECIAL LEVIES; 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 that have now expired or are expiring;

WHEREAS, the Commission desires the City Council of the City (“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: Oregon Convention Center, Central Eastside, River District, Lents Town Center, North Macadam, Interstate Corridor and Gateway Regional Center;

WHEREAS, Section 15-106 of the Charter of the City authorizes the Council, upon request of the Commission, to issue bonds which are payable from the tax increment revenues of the City’s urban renewal areas, and authorizes the Commission, 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 Commission: pledge the City’s full faith and credit to pay the Interim Bonds from the City’s legally available funds; pledge the tax increment revenues of each area to pay the bonds issued to finance projects in that area; covenant to impose special levies and collect tax increment revenues to pay those bonds; and covenant not to take actions which would cause the City or the Commission to lose the ability to impose special levies for the urban renewal districts for which special levies are available; and

WHEREAS, to ensure that the City’s full faith and credit commitments to the Interim Bonds are reduced as soon as practical, it is beneficial for the Council to concurrently authorize the issuance the Interim Bonds and long-term tax increment bonds (the “Long-term Bonds”) to refinance the full faith and credit Interim Bonds; and

WHEREAS, the City’s Office of Management and Finance have reviewed and support this action and the City Council is requested to approve an Ordinance on November 3, 2010 authorizing the issuance of the Interim Bonds and Long-term Bonds for urban renewal areas;

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby requests City Council to issue Interim Bonds and Long-term Bonds (collectively, the “Bonds”) for the following urban renewal areas: Oregon Convention Center, Central Eastside, River District, Lents Town Center, North Macadam, Interstate Corridor and Gateway Regional Center;

BE IT FURTHER RESOLVED that the amount of Interim Bonds issued for each urban renewal area shall not exceed the amount necessary to refinance interim financings combined with the amount which the Executive Director estimates will be required to pay costs of urban renewal projects during the next three years, plus costs of funding reserves and issuing bonds;
BE IT FURTHER RESOLVED that the amount of Long-term Bonds issued for each urban renewal area shall not exceed the sum of the principal amount of Interim Bonds that are refinanced, plus the amount of any debt service reserves for Long-term Bonds, plus the costs related to issuing the Long-term Bonds and repaying the Interim Bonds;

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

BE IT FURTHER RESOLVED that the Commission authorizes the Executive Director and the City, on behalf of the Commission, 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;

BE IT FURTHER RESOLVED that the Commission authorizes the Executive Director and the City, on behalf of the Commission, to covenant for the benefit of the owners of each series of Bonds issued to finance projects in an urban renewal area for which special levy is authorized, to levy or permit to be levied taxes in connection with the area pursuant to Article XI, Section 11 (16) of the Oregon constitution and ORS 457.435(2) or any replacement statute in the amounts and at the times specified in the financing documents executed in connection with that series of bonds;

BE IT FURTHER RESOLVED that the Commission authorizes the Executive Director and the City, on behalf of the Commission, to covenant for the benefit of the owners of each series of Bonds secured by the tax increment revenues of an urban renewal area for which a special levy is authorized, not to take any action which would cause the urban renewal plan for that area to cease to qualify as an “existing urban renewal plan” as defined in ORA Chapter 457, or which would cause the Commission or the City to cease to be able to levy taxes for that area pursuant to Article XI, Section 11 (16) of the Oregon Constitution and ORS 457.435 (2) or any replacement statute;

BE IT FURTHER RESOLVED that the Commission hereby authorizes the Executive Director and the City, on behalf of the Commission and without further action by the Commission, 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 the Commission; and

BE IT FURTHER RESOLVED that this Resolution shall become effective thirty days from the date of its adoption.

Adopted by the Portland Development Commission on October 27, 2010.
Resolution Number 6830

Title:
REQUESTING THE CITY COUNCIL TO ISSUE BONDS FOR THE CITY’S URBAN RENEWAL AREAS; PLEDGING REVENUES FROM THOSE AREAS TO THOSE BONDS; COVENANTING TO IMPOSE SPECIAL LEVIES; AND AUTHORIZING ADDITIONAL COVENANTS.

Adopted by the Portland Development Commission on October 27, 2010.

PRESENT FOR VOTE  COMMISSIONERS  VOTE

Chair Scott Andrews  Yea  Nay  Abstain
Commissioner Bertha Ferrán  Yea  Nay  Abstain
Commissioner John Mohlis  Yea  Nay  Abstain
Commissioner Steven Straus  Nay  Nay  Nay
Commissioner Charles Wilhoite  Nay  Nay  Nay

Consent Agenda  Regular Agenda

Certification
The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.

Renee A. Castilla, Recording Secretary

Date: November 23, 2010