

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF TAKING OFFICIAL )	RESOLUTION NO. 81-249
ACTION TO PERMIT TAX EXEMPT )	
INDUSTRIAL DEVELOPMENT FINANCING )	Introduced by the Regional
OF THE DISTRICT'S RESOURCE )	Services Committee
RECOVERY FACILITY )	

WHEREAS, The District intends to construct a resource recovery facility, including a resource recovery plant, a refuse and recycling center, administrative offices, a gatehouse and weigh station, parking areas, water storage and treatment facilities, a stormwater retention basin, land preparation and a pipeline between the plant and an industrial user of the steam to be carried in the pipeline; and

WHEREAS, The District has entered into negotiations with nonexempt, private entities and it appears that one or more of such entities may own or operate all or a portion of the resource recovery facility and purchase steam generated by the facility; and

WHEREAS, The District desires to commence construction of a portion of the resource recovery facility and to let contracts for that construction; and

WHEREAS, All or a portion of the facility may be financed by tax exempt industrial development bonds under the provisions of Section 103(b) of the Internal Revenue Code, and the regulations issued pursuant to that section require that the District adopt a bond resolution or take some other similar official action toward the issuance of tax exempt industrial development bonds prior to the acquisition, construction or commencement of use of the facility; now, therefore,

BE IT RESOLVED,

1. That the Metro Council will use its best efforts to issue tax exempt industrial development bonds to finance all or any portion of the facility which will be owned or operated by a nonexempt, private entity.

2. That this Resolution shall constitute "official action" within the meaning of the regulations promulgated under Section 103(b)(4) of the Internal Revenue Code.

ADOPTED by the Council of the Metropolitan Service District  
this 25th day of June, 1981.

  
\_\_\_\_\_  
Presiding Officer

MAH/srb  
3453B/236

A G E N D A   M A N A G E M E N T   S U M M A R Y

TO: Metro Council  
FROM: Executive Officer  
SUBJECT: Taking Official Action to Permit Tax Exempt Industrial  
Development Financing of the District's Resource Recovery  
Facility

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Adoption of Resolution No. 81-249.
- B. POLICY IMPACT: The resolution officially puts potential bond holders on notice that certain work items necessary to build the Resource Recovery Facility may seek reimbursement from the bond funding when it is issued. Those potential uses of the bond funds include the resource recovery plant, a refuse and recycling center, administrative offices, a gatehouse and weigh station, parking areas, water storage and treatment facilities, a storm-water retention basin, land preparation, and a pipeline between the plant and an industrial user of the steam to be carried in the pipeline. Action is necessary at this time to insure that the land preparation and fill contract could eventually be recovered from bond funds.
- C. BUDGET IMPACT: None.

II. ANALYSIS:

- A. BACKGROUND: Issuance of bonds has been a feature of the Resource Recovery Facility project since its inception. This Resolution allows certain costs which will be incurred prior to the issuance of debt to be reimbursed through the proceeds of the bond sale. The passage of this Resolution is a "pro forma" action and is recommended by bond counsel. The timing of passage of the Resolution accommodates the anticipated schedule of approval of the conditional use permit by Oregon City and the consequent issuance of an order to proceed to the site preparation contractor.
- B. ALTERNATIVES CONSIDERED: The alternative to not passing the Resolution at this time would be to either a) delay the order to proceed to the site preparation contractor (thereby creating the possibility of two construction seasons to complete the work) or b) not having the option to reimburse the site preparation costs from bond funds and paying those costs through local funds.
- C. CONCLUSION: Adoption of the Resolution allows legitimate front end costs of the Resource Recovery Facility to be recovered from bond funds when debt is issued.