

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: August 7, 2003
DAY: Thursday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. CONSENT AGENDA

3.1 Consideration of Minutes for the July 31, 2003 Metro Council Regular Meeting.

4. ORDINANCES – FIRST READING

4.1 **Ordinance No. 03-1017**, An Ordinance Authorizing Full Faith and Credit Obligations to Refund the Metro Regional Center Project Bonds and other Outstanding Loans, and Repealing Inconsistent Provisions of Metro Ordinances, and Declaring an Emergency.

5. CHIEF OPERATING OFFICER COMMUNICATION

6. COUNCILOR COMMUNICATION

ADJOURN

Agenda Item Number 3.1

Consideration of Minutes of the July 31, 2003 Regular Council meetings.

Metro Council Meeting
Thursday, August 7, 2003
Metro Council Chamber

MINUTES OF THE METRO COUNCIL MEETING

Thursday, July 31, 2003
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Brian Newman, Rod Monroe, Rex Burkholder, Rod Park, Carl Hosticka

Councilors Absent:

Council President Bragdon convened the Regular Council Meeting at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. TRANSIT MALL AND SOUTH CORRIDOR UPDATE VIDEO

Richard Brandman, Planning Department, said they would be doing a presentation on alternatives for construction of the transit mall. He introduced the presentation on design options for the transit mall. He provided a history of the light rail process. Ross Roberts, Planning Department, provided a simulation of what the proposed transit mall could look like with the light rail. He talked about the proposed terminus and the Left Side Platform versus the Island Platform design options. It was recommended that the design have the least impact. Mr. Roberts introduced the Left Side Platform design and showed the simulation for this design. Councilor Burkholder asked about stops at major employment centers. Mr. Brandman spoke to issues of station spacing. Council President Bragdon talked about the need to get the trains moving faster and spacing the stops with a bit more distance. Mr. Roberts said the proposed stops would be every four blocks. He spoke to the federal ratings process where transit speed was an important component. Councilor Monroe asked about bus stops and the opportunity to allow buses to leap frog past other buses in the light rail lane. Mr. Roberts continued the simulation presentation and noted sidewalk and art additions. The train operated within the downtown signal system. He explained impacts. Councilor Burkholder asked about assumptions in terms of bus traffic. Mr. Roberts explained the assumption during peak hours. Councilor Newman said the Portland Business Alliance was supportive of light rail on the transit mall but was also supportive of parking on the transit mall. Had they dropped the parking issue? Mr. Brandman explained Portland Business Alliance perspective. They had withdrawn their recommendation on parking on the transit mall. Mr. Roberts then talked about the Island Platform design and the benefits of this design. He also noted significant differences from the Left Side Platform design. Mr. Roberts said there was a third option on the table. He noted the difference in cost. He talked about the Right Side Platform option. Mr. Brandman concluded by updating the Council on the upcoming processes.

Councilor McLain asked about the major differences concerning safety issues. Mr. Roberts said the Left Side Platform option was similar to the current light rail design. There were trade offs with both designs. Councilor McLain asked about complications for the buses with each design. Mr. Roberts said with the Island Platform design there were more challenges and explained some of those challenges. Councilor Newman felt that the simulation was a powerful tool and

suggested doing this kind of simulation in suburbs, outside of the central city. Councilor Monroe said he felt the left side alignment was safer and cheaper. He provided some benefits to this design. Autos should be discouraged from being on the transit mall. Council President Bragdon thought that the Island option looked crowded. He asked about the width of the platform. Mr. Roberts said the width of the Island Platform would be about 15 feet. It was the narrowest of all of the options. Councilor Newman talked about the Market Street Platform in San Francisco and how crowded these areas were during peak hours. Councilor Burkholder talked about the number of buses per hour and the importance of recognize that this was a transportation facility. He talked about bicycle access and felt the transit mall allowed for more multi-model transportation options.

4. CONSENT AGENDA

4.1 Consideration of minutes of the July 17, 2003 Regular Council Meetings.

4.2 **Resolution No. 03-3350**, For the Purpose of Approving the Selection of Hearings Officers for Contested Case Hearings Pursuant to Metro Code Chapter 2.05 for the Period Commencing August 2003.

4.3 **Resolution No. 03-3354**, For the Purpose of Confirming Julie Reed to the Metro 401K Employee Salary Savings Plan Advisory Committee.

Motion:

Councilor Park moved to adopt the meeting minutes of the July 17, 2003, Regular Metro Council meeting and Resolution Nos. 03-3350 and 03-3354.

Vote:

Councilors Burkholder, McLain, Park, Hosticka, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.

5. ORDINANCES – FIRST READING

5.1 **Ordinance No. 03-999**, For the Purpose of Amending Metro Code Chapter 5.05 To include the Wasco County Landfill on the list of designated facilities.

Council President Bragdon assigned Ordinance No. 03-999 to Council.

6. CONTRACT REVIEW BOARD

6.1 **Resolution No. 03-3346**, For the Purpose of Authorizing the Chief Operating Officer to Execute a Contract No. 925081 for Management of Retail Operations at the Oregon Zoo.

Removed from this agenda and held over until the August 14, 2003 Council meeting.

7. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660 (1) (d) FOR THE PURPOSE OF DELIBERATING WITH PERSONS DESIGNATED TO CONDUCT LABOR NEGOTIATIONS.

Time Started: 2:35 PM

Members Present: Tanya Collier, Roy Soards, Dan Cooper, Michael Jordan, Laura Oppenheimer and council staff.

7.1 **Resolution No. 03-3355**, For the Purpose of Ratifying the Collective Bargaining Agreement between Laborers International Union (LIU) Local 483 and Metro from July 1, 2003 to June 30, 2006.

Motion:	Councilor Burkholder moved to adopt Resolution No. 03-3355.
Seconded:	Councilor Monroe seconded the motion

Councilor Burkholder provided an overview of the contract. The negotiations had been completed and adopted by the union. Metro was now considering ratification. He spoke to controlling health and welfare costs as well as cost of living increases. They also wanted to improve Metro's ability to manage employees. The major goals were met through this negotiation. He noted other changes and felt that the negotiations followed the Council's direction. Council President Bragdon added that many of these employees in LIU were on the front lines at the Zoo and at Metro's parks. He was glad to reach this agreement. He felt it was a fair agreement.

Vote:

Councilors Park, Hosticka, Burkholder, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.
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8. COUNCILOR COMMUNICATION

Councilor McLain complimented Roy Soards on his directorship. She appreciated the 10-day letter he had sent to the Council concerning grant contracting.

Councilor Park announced the Mt. Hood Jazz Festival at Mt. Hood Community College and the Troutdale Cruise-In would both be this weekend.

Councilor McLain talked about green corridors and the issues concerning green corridors.

Council President Bragdon said this was the first day our meeting was broadcast live. He noted the broadcasts would go from 2:00 pm to 4:00 pm. These would also be repeat broadcast by tape. This would provide more access to the public.

9. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 3:18 p.m.

Prepared by

Chris Billington
Clerk of the Council

Metro Council Meeting

07/31/03

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ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JULY 31, 2003

There were none.

Agenda Item Number 4.1

Ordinance No. 03-1017, An Ordinance Authorizing Full Faith and Credit Obligations to Refund the Metro Regional Center Project Bonds and Other Outstanding Loans, and Repealing Inconsistent Provisions of Metro Ordinances, and Declaring an Emergency.

First Reading

Metro Council Meeting
Thursday, August 7, 2003
Metro Council Chamber

BEFORE THE METRO COUNCIL

AN ORDINANCE AUTHORIZING FULL)	ORDINANCE NO. 03-1017
FAITH AND CREDIT OBLIGATIONS TO)	
REFUND THE METRO REGIONAL CENTER)	Introduced by Michael Jordan,
PROJECT BONDS AND OTHER)	Chief Operating Officer, with the
OUTSTANDING LOANS, REPEALING)	concurrence of Council President
INCONSISTENT PROVISIONS OF METRO)	Bragdon
ORDINANCES, AND DECLARING AN)	
EMERGENCY.)	

WHEREAS, Metro has issued its General Revenue Refunding Bonds (Metro Regional Center Project) 1993 Series A, (the "1993 Bonds") and has obtained loans from the Oregon Economic and Community Development Department for a variety of Metro projects (the "OECD Loans"); and,

WHEREAS, current interest rates are lower than the rates borne by the 1993 Bonds and the OECD Loans; and,

WHEREAS, Metro is authorized by Chapter III, Section 10 of the Metro Charter and by Metro Ordinance No. 93-495 to issue bonds that are secured by Metro's full faith and credit to refund outstanding Metro bonds and loans; and,

WHEREAS, the 1993 Bonds and the OECD Loans were issued under the provisions of Metro Ordinance No. 91-439, which generally governs financing by Metro; and,

WHEREAS, the financial condition of Metro has improved since Metro Ordinance No. 91-439 was enacted and the limitations of that ordinance are no longer necessary and may conflict with the issuance of full faith and credit bonds, so it is desirable to repeal inconsistent provisions of that ordinance and its amendments; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Definitions.

Capitalized terms used in this ordinance shall have the following meanings unless the context clearly requires otherwise:

"1993 Bonds" means Metro's General Revenue Refunding Bonds (Metro Regional Center Project) 1993 Series A.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Metro Official" means the Chief Operating Officer or the person designated by the Chief Operating Officer to act on behalf of Metro under this Ordinance.

"Metro" means Metro, Oregon, a metropolitan service district organized pursuant to Article XI, Section 14 of the Oregon Constitution, ORS Chapter 268, and the 1992 Metro Charter, and located in Multnomah, Clackamas and Washington Counties in the State of Oregon.

“OECD Loans” means the outstanding loans Metro has obtained from the Oregon Economic and Community Development Department.

“Refunding Bonds” means the bonds authorized by Section 2 of this ordinance.

Section 2. Authorization.

Metro is hereby authorized to issue the Refunding Bonds to refund the 1993 Bonds and the OECD Loans. The Refunding Bonds may be issued in one or more series, but the aggregate principal amount of the Refunding Bonds issued under this ordinance shall not exceed the amount required to refund the 1993 Bonds and the OECD loans, to obtain credit enhancement for the Refunding Bonds, and to pay costs related to issuing the Refunding Bonds and refunding the 1993 Bonds and OECD loans.

Section 3. Security For Refunding Bonds.

The Refunding Bonds shall be “limited tax general obligation bonds” as defined in Metro Ordinance No. 93-495. The Refunding Bonds shall be secured by the full faith and credit of Metro, and shall be payable from all legally available taxes and other revenues of Metro. Metro covenants to levy each year the full amount of all ad valorem taxes then permitted to be levied by Metro under Article XI, Sections 11 and 11b of the Oregon Constitution, the statutes of the State of Oregon and the Metro Charter, if such a levy is required to allow Metro to pay, when due, the principal of, and interest and any premium on, the Refunding Bonds.

Section 4. Delegation.

The Metro Official, on behalf of Metro and without further action by Metro Council, may:

- A. Prepare and submit advance refunding plans to the State Treasurer.
- B. Participate in the preparation of, authorize the distribution of and deem final the preliminary and final official statements or other disclosure documents for the Refunding Bonds.
- C. Appoint a paying agent for the Refunding Bonds.
- D. Obtain bond insurance or other credit enhancement for the Refunding Bonds.
- E. Advertise the sale of the Refunding Bonds and receive competitive bids for the Refunding Bonds, or select one or more underwriters and negotiate the terms of, and execute, bond purchase agreements for each series of Refunding Bonds.
- F. Enter into agreements to provide continuing disclosure for the Refunding Bonds, as required under federal securities laws.
- G. Enter into covenants that provide additional security for the Refunding Bonds, and covenants to take actions that are necessary for interest on the Refunding Bonds to be and remain excludable from gross income under the United States Internal Revenue Code.
- H. Establish the final principal amounts, interest rates, redemption terms, payment dates and other terms of each series of Refunding Bonds.

- I. Execute and deliver a bond declaration for each series of Refunding Bonds, memorializing the terms of each series, stating any additional covenants approved by the Metro Official for the benefit of the owners of that series, providing the financial and administrative terms that apply to the Refunding Bonds, and any other terms of the Refunding Bonds.
- J. Engage the services of escrow agents and verification agents, and enter into related agreements.
- K. Issue, sell and deliver the Refunding Bonds, and defease, call and redeem the 1993 Bonds and prepay the OECDD loans that are refunded with the Refunding Bonds.
- L. Modify the terms of any OECDD loans that are not refunded with the Refunding Bonds to provide that those loans are secured by the Metro's full faith and credit and taxing power in the same manner as the Refunding Bonds.
- M. Execute and deliver any certificates or documents, and take any other actions which Metro Official determines are reasonably required to carry out this ordinance.

Section 5. Repeal of Inconsistent Ordinances.

All provisions of Metro Ordinance No. 91-439 and its amendments that are inconsistent with this ordinance or the issuance of the Refunding Bonds, and all provisions of Metro Ordinance No. 91-439 and its amendments that place limitations on the issuance, payment or administration of the Refunding Bonds are hereby repealed. However, the repeal of these provisions shall not affect the rights of the owners of any obligations issued under Metro Ordinance No. 91-439 and its amendments.

Section 6. Emergency Clause.

This Ordinance being necessary for the health, safety, and welfare of the Metro area, in that issuing the Refunding Bonds at the earliest possible date will allow Metro to take advantage of current favorable interest rates, an emergency is declared to exist, and this Ordinance shall take effect immediately, pursuant to Metro Charter Section 39(1).

ADOPTED by the Metro Council this ____ day of August, 2003.

David Bragdon, Council President

Attest:

Approved as to Form:

, Recording Secretary

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 03-1017, FOR THE PURPOSE OF AUTHORIZING FULL FAITH AND CREDIT OBLIGATIONS TO REFUND THE METRO REGIONAL CENTER PROJECT BONDS AND OTHER OUTSTANDING LOANS, REPEALING INCONSISTENT PROVISIONS OF METRO ORDINANCES, AND DECLARING AN EMERGENCY

Date: August 7, 2003

Prepared by: Casey Short
Acting Chief Financial Officer

BACKGROUND

Currently low interest rates provide Metro the opportunity to save money on its outstanding bond and loan obligations by refinancing those obligations at lower rates. In addition to the straight debt service savings, Ordinance 03-1017 changes the funding pledge for the obligations in question, as discussed below.

The primary purpose of this ordinance is to authorize refunding of Metro's revenue bonds that paid for the construction of Metro Regional Center (MRC). Those bonds were originally issued in 1991, and refunded in 1993; the 1993 refunding bonds were callable on August 1, 2003. In addition, Metro has loan obligations with the State of Oregon Economic & Community Development Department for improvements to the Washington Park parking lot used by Zoo patrons, and to the Expo Center for the construction of Hall D. Savings may be realized for the Zoo obligations, though not at this time for the Expo obligations; the Expo loan is not callable for five years, and Metro would not be able to realize debt service savings on the Hall D loan at this time.

In addition to potential savings, this ordinance repeals certain provisions of the Master Revenue Bond Ordinance (No. 91-439) and provides for the newly issued bonds to be backed by the full faith and credit of Metro. The full faith and credit pledge would provide Metro's unrestricted revenues as the ultimate backing for these revenue bonds. While the practice would continue of paying the Zoo obligation from Zoo revenues, and paying MRC debt service through department assessments, the full faith and credit pledge would improve the standing of the bonds by providing the additional security of Metro's excise tax and permanent rate levy revenues, which total some \$18 million. Providing this pledge, and repealing certain provisions of the Master Revenue Bond ordinance, would also ease administration by eliminating debt reserve and other requirements included in that ordinance.

ANALYSIS/INFORMATION

1. **Known Opposition** – None.
2. **Legal Antecedents** – Metro is authorized to issue refunding bonds pursuant to ORS 288.592. Chapter III, Section 10 of the Metro Charter supplements Metro's authority to issue revenue bonds, and this section of the Charter as well as Ordinance 93-495 authorizes Metro to issue bonds that are secured by Metro's full faith and credit.

3. **Anticipated Effects** – Implementation of Ordinance 03-1017 would reduce debt service costs and simplify administration of Metro’s revenue bond debt.
4. **Budget Impacts** – As of August 5, the estimate of savings for MRC debt service payments is some \$820,000 (net present value), or approximately 4%. This figure will continue to change with fluctuations in interest rates. Annual savings to departments will be slightly over \$200,000 per year. Net present value savings for the Zoo obligations will be approximately \$108,000, or about \$10,000 per year.

An alternative still being examined would extend the life of the MRC bonds by 10 years, to 2032, to better align the repayment schedule of the bonds with the depreciable life of the building. The extension of the life of the bonds more closely matches the recoverable costs from grants. Extending the life of the bonds would reduce the present value savings of the refinancing but would ease annual cash flow concerns and relieve future pressure on discretionary revenue sources (i.e. excise tax).

RECOMMENDED ACTION

The Chief Operating Officer recommends Council adoption of Ordinance No. 03-1017.