

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

|                                    |   |                       |
|------------------------------------|---|-----------------------|
| FOR THE PURPOSE OF AUTHORIZING     | ) | RESOLUTION NO. 87-767 |
| THE ISSUANCE OF GENERAL            | ) |                       |
| OBLIGATION BONDS IN THE AMOUNT     | ) | Introduced by the     |
| OF \$65 MILLION FOR THE            | ) | Executive Officer     |
| FINANCING OF ACQUISITION AND       | ) |                       |
| CONSTRUCTION OF A REGIONAL         | ) |                       |
| CONVENTION AND TRADE SHOW FACILITY | ) |                       |

WHEREAS, this Council submitted to the legal voters of the Metropolitan Service District, within the Counties of Clackamas, Multnomah and Washington, State of Oregon (the "District"), the question of contracting a general obligation bonded indebtedness in the sum of \$65,000,000 to finance the acquisition and construction of a regional convention and trade show center;  
and

WHEREAS, the election was duly and legally held on the 4th day of November, 1986, and this Council has reviewed the election abstracts and has determined that issuance of Bonds in such sum has been approved by a majority of the qualified voters of the District voting at the election, now therefore

BE IT RESOLVED:

Section 1. Issue. For the above purposes, the District shall issue its General Obligation Convention Center Bonds, Series 1987 ("the Bonds"), in the amount of Sixty-Five Million Dollars (\$65,000,000), to be dated July 1, 1987, to be in denominations of Five Thousand Dollars (\$5,000) or integral multiples thereof, to bear interest payable on December 1 and June 1 of each year until maturity or prior redemption, commencing June 1, 1988, and to mature serially on December 1 of each year as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 1988        | \$ 990,000    | 2000        | \$2,195,000   |
| 1989        | \$1,045,000   | 2001        | \$2,370,000   |
| 1990        | \$1,110,000   | 2002        | \$2,560,000   |
| 1991        | \$1,175,000   | 2003        | \$2,770,000   |
| 1992        | \$1,250,000   | 2004        | \$2,995,000   |
| 1993        | \$1,335,000   | 2005        | \$3,240,000   |
| 1994        | \$1,425,000   | 2006        | \$3,510,000   |
| 1995        | \$1,530,000   | 2007        | \$3,805,000   |
| 1996        | \$1,640,000   | 2008        | \$4,120,000   |
| 1997        | \$1,760,000   | 2009        | \$4,465,000   |
| 1998        | \$1,890,000   | 2010        | \$4,840,000   |
| 1999        | \$2,040,000   | 2011        | \$5,250,000   |
|             |               | 2012        | \$5,690,000   |

Section 2. Optional Redemption. The District reserves the right to redeem all or any portion of the Bonds maturing after December 1, 1997, in inverse order of maturity and by lot within a maturity on December 1, 1997, and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

Section 3. Notice of Redemption. Unless waived by any holder of bonds to be redeemed, official notice of any such redemption shall be given by the District's paying agent and registrar (the "Registrar") on behalf of the District by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the bond or bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All official notices of redemption shall be dated and shall state:

- A. the redemption date,
- B. the redemption price,
- C. if less than all outstanding bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the bonds to be redeemed,
- D. that on the redemption date the redemption price will become due and payable upon each such bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

- E. the place where such bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar.

Prior to any redemption date, the District shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the bonds or portions of bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the bonds or portions of bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such bonds or portions of bonds shall cease to bear interest. Upon surrender of such bonds for redemption in accordance with said notice, such bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any bond, there shall be prepared for the registered owner a new bond or bonds of the same maturity in the amount of the unpaid principal. All bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

- A. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all bonds being redeemed; (ii) the date of issue of the bonds as originally issued; (iii) the rate of interest borne by each bond being redeemed; (iv) the maturity date of each bond being redeemed; and (v) any other descriptive information needed to identify accurately the bonds being redeemed.
- B. Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, and

Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; and Standard and Poor's Called Bond Record.

- C. Each such further notice shall be published one time in The Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the bonds, such publication to be made at least 30 days prior to the date fixed for redemption.
- D. Upon the payment of the redemption price of bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the bonds being redeemed with the proceeds of such check or other transfer.

Section 4. Security. The full faith and credit of the District are pledged to the successive owners of each of the Bonds for the punctual payment of such obligations, when due. The District shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the District in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and all other monies reasonably available for the payment of debt service on the Bonds, to pay the Bonds promptly as they mature, and that the District covenants with the owners of its Bonds to levy such a tax annually during each year that any of the Bonds, or Bonds issued to refund them, are outstanding.

Section 5. Form of Registered Bonds. The District may issue the Bonds as one or more typewritten, temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available. The Bonds shall be in substantially the following form:

No. R-\_\_\_\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF OREGON  
METROPOLITAN SERVICE DISTRICT  
WITHIN THE COUNTIES OF CLACKAMAS, MULTNOMAH AND WASHINGTON  
GENERAL OBLIGATION CONVENTION CENTER BOND  
SERIES 1987

DATED            INTEREST            % PER ANNUM            MATURITY DATE            CUSIP

THE METROPOLITAN SERVICE DISTRICT, in the Counties of Clackamas, Multnomah and Washington, State of Oregon (the "District"), for value received, acknowledges itself indebted and hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) on the above maturity date together with interest thereon from the date hereof at the rate per annum indicated above. Interest is payable semiannually on the first day of December and the first day of June in each year until maturity or prior redemption, commencing June 1, 1988. Interest upon this Bond is payable through the principal corporate trust offices of the District's paying agents and co-registrars (the "Registrar") by check or draft; checks or drafts will be mailed on the interest payment date (or the next business day if the interest payment date is not a business day) to the name and address of the registered owner as they appear on the Bond register as of the fifteenth day of the month prior to the interest payment date. Bond principal is payable upon presentation and surrender of this Bond to the Registrar.

ADDITIONAL PROVISIONS OF THIS BOND APPEAR ON THE REVERSE SIDE; THESE PROVISIONS HAVE THE SAME EFFECT AS IF THEY WERE PRINTED HEREIN.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; that the issue of which this Bond is a part, and all other obligations of such District, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and that the Council has provided for the levying annually of a direct ad valorem tax upon all the property within the District so taxable for its purposes, in an amount sufficient with other available funds, to pay the interest on and the principal of the Bonds of such issue as such obligations become due and payable.

IN WITNESS WHEREOF, the Council of the Metropolitan Service District, within the Counties of Clackamas, Multnomah and Washington, Oregon, has caused this Bond to be signed by facsimile signature of its Executive Officer and attested by facsimile signature of its Clerk, and has caused its seal to be affixed hereto or printed hereon as of the date indicated above.

\_\_\_\_\_  
Executive Officer  
Metropolitan Service District  
Within the Counties of Clackamas,  
Multnomah and Washington, Oregon

(SEAL)

\_\_\_\_\_  
Clerk  
Metropolitan Service District  
Within the Counties of Clackamas,  
Multnomah and Washington, Oregon

THIS BOND SHALL NOT BE VALID UNLESS  
PROPERLY AUTHENTICATED BY THE REGISTRAR  
IN THE SPACE INDICATED BELOW.

DATED:

CERTIFICATE OF AUTHENTICATION

This is one of the District's  
General Obligation Convention Center  
Bonds, Series 1987, issued pursuant to  
the Resolution described herein.

THE CHASE MANHATTAN BANK, N.A.,  
as Co-Registrar

\_\_\_\_\_  
as Co-Registrar

By \_\_\_\_\_  
Authorized Officer

By \_\_\_\_\_  
Authorized Officer

Note to Printer: The following language should be printed on the reverse of the Bond:

This Bond is one of the General Obligation Convention Center Bonds, Series 1987 (the "Bonds"), of the District, and is issued by the District for the purpose of the acquisition and construction of a regional convention and trade show center in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon.

The District reserves the right to redeem all or any portion of the Bonds maturing after December 1, 1997, in inverse order of maturity and by lot within a maturity on December 1, 1997, and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

Notice of any call or redemption, unless waived, shall be mailed not less than thirty and not more than sixty days prior to such call to the registered owners of the Bonds, and otherwise given as required by law and the authorizing resolution (the "Resolution"); however, any failure to give notice shall not invalidate the redemption of the Bonds. All Bonds called for redemption shall cease to bear interest from the date designated in the notice.

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Bonds may be exchanged for Bonds of the same aggregate principal amount, but different authorized denominations.

Any transfer of this Bond must be registered, as provided in the Resolution upon the Bond register kept for that purpose at the office of the Registrar. The District and the Registrar may treat the person in whose name this Bond is registered as its absolute owner for all purposes, as provided in the Resolution.

The bondowner may exchange or transfer any Bond only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Registrar and duly executed by the registered owner or his duly authorized attorney, at the office of the Registrar in the manner and subject to the conditions set forth in the Resolution.

#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_.

Please insert social security or other  
identifying number of assignee

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

\_\_\_\_\_  
(Bank, Trust Company or  
Brokerage Firm)

\_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- tenants in common  
TEN ENT -- as tenants by the entireties  
JT TEN -- as joint tenants with right of survivorship  
and not as tenants in common  
OREGON CUSTODIANS use the following:  
\_\_\_\_\_ CUST UL OREG \_\_\_\_\_ MIN  
as custodian for \_\_\_\_\_ (name of minor)  
OR UNIF TRANS MIN ACT  
under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.

Section 6. Authentication, Registration and Transfer.

- (1) No Bond shall be entitled to any right or benefit under this resolution (the "Resolution") unless it shall have been authenticated by an authorized officer of the District's paying agent and registrar (the "Registrar"). The Registrar shall



authenticate all Bonds to be delivered at closing of this Bond issue, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

- (2) All Bonds shall be in registered form. The Executive Officer may appoint a bank in the City of Portland, Oregon to serve as Co-Registrar for the Bonds. The District appoints the fiscal agent of the State of Oregon in New York, New York, as Co-Registrar of the Bonds. A successor Registrar may be appointed for the Bonds by ordinance or resolution of the District. The Registrar shall provide notice to bondowners of any change in the Registrar not later than the Bond payment date following the change in Registrar.
- (3) The ownership of all Bonds shall be entered in the Bond register maintained by the Registrar, and the District and the Registrar may treat the person listed as owner in the Bond register as the owner of the Bond for all purposes.
- (4) The Registrar shall mail each interest payment on the interest payment date (or the next business day if the interest payment date is not a business day) to the name and address of the bondowner as they appear on the Bond register as of the fifteenth day of the month preceding an interest payment date (the "Record Date"). If payment is so mailed, neither the District nor the Registrar shall have any further liability to any party for such payment.
- (5) Bonds may be exchanged for an equal principal amount of Bonds of the same maturity which are in different denominations, and Bonds may be transferred to other owners if the bondowner submits the following to the Registrar:
  - (a) written instructions for exchange or transfer satisfactory to the Registrar, signed by the bondowner or his attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar; and
  - (b) the Bonds to be exchanged or transferred.

- (6) The Registrar shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a Record Date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- (7) The Registrar shall note the date of authentication on each Bond. The date of authentication shall be the date on which the bondowner's name is listed on the Bond register.
- (8) For purposes of this section, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in subsection (5) of this section.
- (9) The District may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all bondowners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 7. Compliance with Federal Law. The District covenants for the benefit of the owners of the Bonds not to take or omit any action which would cause Bond interest to be subject to federal income taxation (except for alternative minimum taxes on the book income of corporations). The District covenants to comply as follows with the Internal Revenue Code of 1986 (the "Code"), unless the District obtains an opinion of nationally recognized Bond counsel that such compliance is not required in order for the interest paid on the Bonds to be exempt from gross income for federal income tax purposes (except for alternative minimum taxation on the book income of corporations):

- (1) The excess of the aggregate amount earned on all investments of "gross" proceeds over the amount which would have been earned if the investments had been invested at a rate equal to the yield on the Bonds shall be placed in a special account, and held and rebated to the United States at least once every five years in accordance with section 148(f) of the Code.
- (2) The District shall issue the Bonds and use the gross proceeds of the Bonds so that the Bonds shall not become "arbitrage bonds" under section 148 of the Code. Covenants to be contained in the non-arbitrage certificate to be executed on behalf of the District shall be enforceable as if contained herein.

- (3) The District shall issue the Bonds and operate the facilities financed with the Bonds in such a manner that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Internal Revenue Code. The Executive Officer may enter into covenants to carry out this section on behalf of the District.

Section 8. Sale of Bonds. The Clerk shall cause to be published in the Daily Journal of Commerce Portland Business Today, Portland, Oregon, and The Bond Buyer, New York, New York notices of sale of the Bonds in the form substantially as shown on Exhibit A attached hereto and by this reference incorporated herein, or summaries, as provided by law. The Bonds shall be sold upon the terms provided in the attached Exhibit A. The Bonds shall be sold on the date and at the time and place stated in Exhibit A, unless the Presiding Officer or Deputy Presiding Officer establishes a different date, time, or place.

Section 9. Approval of Preliminary Official Statement; Contingency Compliance. The Council hereby approves the Project Financing Plan section of the Preliminary Official Statement as submitted by Government Finance Associates and authorizes execution of the Preliminary Official Statement by the Executive Officer. If, however, the Executive Officer determines that there is any material adverse change in the representations contained in the Preliminary Official Statement prior to the date of sale, the Executive Officer shall cancel the sale and report to the Council.

ADOPTED by the Council of the Metropolitan Service District, this 11th day of June, 1987.

  
(Deputy) Presiding Officer

ATTEST:

  
Clerk

EXHIBIT A

OFFICIAL NOTICE OF BOND SALE

\$65,000,000

METROPOLITAN SERVICE DISTRICT

WITHIN THE COUNTIES OF CLACKAMAS, MULTNOMAH AND WASHINGTON

STATE OF OREGON

GENERAL OBLIGATION CONVENTION CENTER BONDS, SERIES 1987

NOTICE IS HEREBY GIVEN that sealed bids will be received on behalf of the Metropolitan Service District, within the Counties of Clackamas, Multnomah and Washington, Oregon (the "District"), for the purchase of its General Obligation Convention Center Bonds, Series 1987 (the "Bonds") until 10:00 o'clock a.m. (Pacific Time) on Thursday, July 9, 1987, at the offices of Lindsay, Hart, Neil & Weigler, Suite 1800, 222 S.W. Columbia Street, Portland, Oregon 97201, at which time they will be publicly opened and announced.

The bids shall be considered and acted upon by the Council of the District within four hours.

ISSUE: The issue shall be in the aggregate amount of SIXTY-FIVE MILLION DOLLARS (\$65,000,000) consisting of registered Bonds in denominations of FIVE THOUSAND DOLLARS (\$5,000) or integral multiples thereof, all dated July 1, 1987.

INTEREST RATE: The maximum interest rate shall not exceed a net effective rate of ten percent (10%) per annum. Interest is payable semiannually on December 1 and June 1 of each year until maturity or prior redemption, commencing June 1, 1988. Bidders must specify the interest rate or rates which the Bonds hereby offered for sale shall bear. The bids shall comply with the following conditions: (1) each interest rate specified in any bid must be a multiple of one-one hundredth (.01%) of one percent; (2) no Bond shall bear more than one rate of interest; (3) each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (4) all Bonds maturing at any one time shall bear the same rate of interest; and (5) no rate of interest may exceed fourteen percent (14%).

MATURITIES: The Bonds shall mature serially on the first day of December of each year as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 1988        | \$ 990,000    | 2000        | \$2,195,000   |
| 1989        | \$1,045,000   | 2001        | \$2,370,000   |
| 1990        | \$1,110,000   | 2002        | \$2,560,000   |
| 1991        | \$1,175,000   | 2003        | \$2,770,000   |
| 1992        | \$1,250,000   | 2004        | \$2,995,000   |
| 1993        | \$1,335,000   | 2005        | \$3,240,000   |
| 1994        | \$1,425,000   | 2006        | \$3,510,000   |
| 1995        | \$1,530,000   | 2007        | \$3,805,000   |
| 1996        | \$1,640,000   | 2008        | \$4,120,000   |
| 1997        | \$1,760,000   | 2009        | \$4,465,000   |
| 1998        | \$1,890,000   | 2010        | \$4,840,000   |
| 1999        | \$2,040,000   | 2011        | \$5,250,000   |
|             |               | 2012        | \$5,690,000   |

REGISTRATION: The Bonds will be issued in fully registered form, and may be exchanged at the expense of issuer for similar Bonds of different authorized denominations. Bonds may not be converted to bearer form.

OPTIONAL REDEMPTION: The District reserves the right to redeem all or any portion of the Bonds maturing after December 1, 1997, in inverse order of maturity and by lot within a maturity on December 1, 1997, and on any interest payment date thereafter, at par plus accrued interest to the redemption date.

Notice of any call or redemption, unless waived, shall be mailed not less than thirty and not more than sixty days prior to such call to the registered owners of the Bonds, and otherwise given as required by law and the authorizing resolution; however, any failure to give notice shall not invalidate the redemption of the Bonds. All Bonds called for redemption shall cease to bear interest from the date designated in the notice.

PAYMENT: Principal and interest are payable, either at maturity or upon earlier redemption, by check through the principal corporate trust offices of the co-registrars and paying agents of the District, which are currently the offices of the fiscal agency of the State of Oregon in New York, New York and a bank to be designated by the Council having offices in Portland, Oregon.

PURPOSE: The Bonds are being issued to finance the acquisition and construction of a regional convention and trade show center. The Bonds were authorized at a general election held within the District on November 4, 1986.

SECURITY: The Bonds are general obligations of the District. The District has covenanted to levy an ad valorem tax annually which, with other available funds, will be sufficient to pay Bond principal and interest as they come due.

**BOND INSURANCE:** Application will be made for qualification of the Bonds for debt service insurance. If the Bonds qualify for municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the bidder. Failure of the Bonds to be so insured or of any such policy to be issued shall not in any manner relieve the successful bidder of his contractual obligation arising from the acceptance of his proposal for the purchase of the Bonds.

**LEGAL OPINION:** The approving opinion of Lindsay, Hart, Neil & Weigler, Lawyers, of Portland, Oregon, will be provided at no cost to the purchaser, and will be printed on the Bonds at the expense of the District.

**TAX EXEMPT STATUS:** Interest on the Bonds, in the opinion of bond counsel, is exempt from gross income for federal income tax purposes under present federal income tax laws (except for certain minimum taxes) and from personal income taxation by the State of Oregon under present state law.

The District has covenanted to comply with the provisions of the Internal Revenue Code of 1986 (the "Code"). Assuming compliance by the District with the applicable requirements of the Code, interest on the Bonds will continue to be exempt from gross income for federal income tax purposes (except for alternative minimum taxes on corporations) under present federal income tax laws and from personal income taxation by the State of Oregon under present state law. The Bonds are not "private activity bonds" under the Code.

**BEST BID:** The Bonds will be awarded to the responsible bidder whose proposal will result in the lowest true interest cost to the District. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service to July 1, 1987 and the price bid for the Bonds. Each bidder is requested to supply the total interest cost and true interest cost that the District will pay upon the issue if the bid is accepted. The purchaser must pay accrued interest, computed on a 360-day basis, from the date of the Bonds to the date of delivery. The cost of printing the Bonds will be paid by the District.

**DELIVERY:** Delivery of the Bonds will be made within thirty days from the date bids are opened without cost to the successful bidder at such City as the successful bidder shall name. Payment for the Bonds must be made in immediately available funds.

**FORM OF BID:** All bids must be for not less than all the Bonds hereby offered for sale, and for not less than one hundred percent (100%) of the par value thereof and accrued interest to the date of delivery. Each bid together with bidder's check as

herein specified must be enclosed in a sealed envelope addressed to the District and designated "Proposal for Bonds."

**BID CHECK:** All bids must be unconditional and accompanied by a certified or cashier's check on a bank doing business in the State of Oregon for Five Hundred Thousand Dollars (\$500,000) payable to the order of the District to secure the District from any loss resulting from the failure of the bidder to comply with the terms of its bid. Checks will be forfeited to the District as liquidated damages in case the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase in accordance with the terms thereof. No interest shall be allowed on the deposit but the check of the successful bidder will be retained as part payment of the Bonds or for liquidated damages as described above. Checks of the unsuccessful bidders will be returned by the District promptly.

**REOFFERING PRICE:** The successful bidder must certify the initial reoffering price for each maturity of the bonds to the District's financial advisor not less than three business days prior to closing. This certification shall constitute the agreement of the bidder to offer all bonds in each maturity for sale at a price no greater than the certified reoffering price until at least ten percent of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price. Failure to honor this agreement may result in cancellation of the sale and forfeiture of the bidder's good faith deposit.

**RIGHT OF REJECTION:** The District reserves the right to reject any or all bids, and to waive any irregularities.

**OFFICIAL STATEMENT:** The District has prepared an official statement relating to the Bonds, a copy of which will be furnished upon request to its financial consultant, Government Finance Associates, Inc., 1300 S.W. 5th Avenue, Suite 2929, Portland, Oregon 97201, telephone: (503) 222-1405.

**CUSIP:** CUSIP numbers will be imprinted upon all Bonds of this issue at the District's expense. Failure to print, or improperly imprinted numbers will not constitute basis for the purchaser to refuse to accept delivery.

**NO LITIGATION:** At the time of payment for the delivery of said Bonds, the District will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the Bonds.

FURTHER INFORMATION: Additional information regarding the District and this sale may be obtained from Tuck Wilson, Project Manager, Metropolitan Service District, 2000 S.W. First Avenue, Portland, Oregon 97201, telephone (503) 221-1646.

A. Marie Nelson, Clerk  
Metropolitan Service District  
Within the Counties of Clackamas,  
Multnomah and Washington, Oregon



STAFF REPORT

Agenda Item No. 8.1

Meeting Date: June 11, 1987

CONSIDERATION OF RESOLUTION NO. 87-767 FOR THE  
PURPOSE OF AUTHORIZING THE ISSUANCE OF GENERAL  
OBLIGATION BONDS IN THE AMOUNT OF \$65 MILLION  
FOR THE FINANACING OF ACQUISITION AND  
CONSTRUCTION OF A REGIONAL CONVENTION AND TRADE  
SHOW FACILITY

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Date: May 29, 1987

Presented by: Tuck Wilson

FACTUAL BACKGROUND AND ANALYSIS

On November 4, 1987, the voters of the District authorized the sale of \$65 million general obligation bonds to develop a regional convention and trade show center. Resolution No. 87-767 authorizes sale of these bonds after an advertisement and bidding period.

Bids are scheduled to be opened on July 14, 1987, with closing to occur on or about July 30, 1987. The resolution specifies that the Executive Officer will award the bonds to the responsible bidder whose proposal will result in the lowest true interest cost to the taxpayers of the District.

This resolution is being forwarded to the Council based on recent progress on the other two aspects of the convention center funding. With closing of the bond sale expected on July 30, the status of the project's other sources of financing will be disclosed to investors as follows:

- LID: The LID is expected to provide \$5 million of the total \$85 million construction budget. The City Council has formally adopted the LID initiating resolution by a 4-0 vote. Petitions in support of the LID have been signed by property owners representing over 40% of the LID land area and nearly 50% of the assessed value. Formal assessment notices are expected to be sent by the auditor in early June, followed by a 20-day remonstrance period -- expected to be concluded by June 25, 1987. The City Council will then consider the Time and Manner Ordinance establishing the LID on July 8, 1987. Therefore, the Official Statement will state that by closing, the

Time and Manner Ordinance establishing the district will have been heard by the Portland City Council.

- State Grant: The State of Oregon is expected to provide \$15 million of the \$85 million construction budget. Senate Bill 964 is expected to commit \$15 million in construction funds for the Oregon Convention Center with funding split over the next two bienniums. The Official Statement will state that by closing, this legislation will be enacted into law.

A complete update on the status of these funding efforts will be presented at your meeting.

Two attachments to this staff report explain aspects of the Bond Sale. First, the bond issue term sheet, produced by Metro's financial advisors Government Finance Associates (GFA), summarizes the characteristics of the bonds and the estimated debt service schedule, based on current interest rates.

Second, the Financing Schedule outlines the major activities leading to the bond sale, including preparation of the Official Statement, a presentation to the Moody's Investor's Services, and actual award of bonds and closing.

Sale of the general obligation bonds for the convention center on July 14 will allow acquisition of the site to move ahead on schedule. With design efforts proceeding apace, Metro's promise to the voters to develop the convention center as an economic engine for the region will remain on time and in budget.

#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 87-767.

**Government Finance Associates, Inc.**

1300 S.W. 5th Avenue, Suite 2929  
Portland, Oregon 97201  
503/222-1405

**METRO CONVENTION CENTER**

**GENERAL OBLIGATION BONDS**

**TERM SHEET**

DATE REVISED: May 10, 1987

FINANCIAL ADVISORS

Government Finance Associates

BOND COUNSEL

Lindsay Hart

PAYING AGENT

LOCAL: To be selected  
NEW YORK: State's Paying Agent,  
currently Chase Manhattan Bank

AMOUNT OF BONDS

\$65,000,000

TYPE OF SALE

Competitive

SALE DATE

July 14, 1987  
10 AM  
Bond Counsel's Office  
AWARD: within 4 hours at Metro

PURPOSE

Construct a convention center (see  
specific language in authorization)  
NOTE IS "GOVERNMENTAL PURPOSE"

SOURCE OF PAYMENT

Property taxes.

SECURITY

General obligation.

BOND INSURANCE

Will seek eligibility and consider  
economic feasibility.

Government Finance Associates, Inc.

|                     |  |
|---------------------|--|
| DATED               | July 1, 1987   |
| PAYABLE             | Principal - annual, (possible delay in principal payment date.)<br>Interest - semi-annual, (May not begin six months after issuance - more soon) |
| MATURITY            | Serial, twenty-five years. See attached schedule.  |
| OPTIONAL REDEMPTION | Ten years at par.  |
| TAX REFORM          | Is currently "governmental purpose."<br>Will do what is necessary to keep as such.   |
| RATING              | Moodys<br>Maybe Standard & Poors.  |

BIDDING INFORMATION:

|                        |   |
|------------------------|---|
| DISCOUNT               | 0%  |
| MAXIMUM INTEREST RATE  | 10%<br>(On entire issue)  |
| NIC OR TIC?            | TIC   |
| MAX ANNUAL COUPON RATE | 14%<br>(Per any year)   |
| NON-DESCENDING ORDER   | After call.   |
| INTEREST MULTIPLES     | .01%  |
| CONTACT FOR OS         | GFA, 1300 SW 5th, Suite 2929,<br>Portland, 97201<br>Janet Gallagher, 503-222-1405 |

DELIVERY

|                   |  |
|-------------------|--|
| WHERE             | At any location specified by the purchaser (METRO TO CONFIRM THIS IS OK) |
| WHEN              | Within 30 days.  |
| DEFINITIVE BONDS? | Yes.   |

METRO CONVENTION CENTER  
RATES AS OF MAY 13, 1987  
DEBT SERVICE SCHEDULE  
=====

| DATE    | PRINCIPAL    | COUPON   | INTEREST     | PERIOD TOTAL | FISCAL TOTAL |
|---------|--------------|----------|--------------|--------------|--------------|
| 2/ 1/88 |              |          | 2,892,181.25 | 2,892,181.25 | 2,892,181.25 |
| 8/ 1/88 | 990,000.00   | 5.250000 | 2,479,012.50 | 3,469,012.50 |              |
| 2/ 1/89 |              |          | 2,453,025.00 | 2,453,025.00 | 5,922,037.50 |
| 8/ 1/89 | 1,045,000.00 | 5.600000 | 2,453,025.00 | 3,498,025.00 |              |
| 2/ 1/90 |              |          | 2,423,765.00 | 2,423,765.00 | 5,921,790.00 |
| 8/ 1/90 | 1,110,000.00 | 5.850000 | 2,423,765.00 | 3,533,765.00 |              |
| 2/ 1/91 |              |          | 2,391,297.50 | 2,391,297.50 | 5,925,062.50 |
| 8/ 1/91 | 1,175,000.00 | 6.100000 | 2,391,297.50 | 3,566,297.50 |              |
| 2/ 1/92 |              |          | 2,355,460.00 | 2,355,460.00 | 5,921,757.50 |
| 8/ 1/92 | 1,250,000.00 | 6.350000 | 2,355,460.00 | 3,605,460.00 |              |
| 2/ 1/93 |              |          | 2,315,772.50 | 2,315,772.50 | 5,921,232.50 |
| 8/ 1/93 | 1,335,000.00 | 6.550000 | 2,315,772.50 | 3,650,772.50 |              |
| 2/ 1/94 |              |          | 2,272,051.25 | 2,272,051.25 | 5,922,823.75 |
| 8/ 1/94 | 1,425,000.00 | 6.750000 | 2,272,051.25 | 3,697,051.25 |              |
| 2/ 1/95 |              |          | 2,223,957.50 | 2,223,957.50 | 5,921,008.75 |
| 8/ 1/95 | 1,530,000.00 | 6.900000 | 2,223,957.50 | 3,753,957.50 |              |
| 2/ 1/96 |              |          | 2,171,172.50 | 2,171,172.50 | 5,925,130.00 |
| 8/ 1/96 | 1,640,000.00 | 7.050000 | 2,171,172.50 | 3,811,172.50 |              |
| 2/ 1/97 |              |          | 2,113,362.50 | 2,113,362.50 | 5,924,535.00 |
| 8/ 1/97 | 1,760,000.00 | 7.200000 | 2,113,362.50 | 3,873,362.50 |              |
| 2/ 1/98 |              |          | 2,050,002.50 | 2,050,002.50 | 5,923,365.00 |
| 8/ 1/98 | 1,890,000.00 | 7.350000 | 2,050,002.50 | 3,940,002.50 |              |
| 2/ 1/99 |              |          | 1,980,545.00 | 1,980,545.00 | 5,920,547.50 |
| 8/ 1/99 | 2,040,000.00 | 7.450000 | 1,980,545.00 | 4,020,545.00 |              |
| 2/ 1/ 0 |              |          | 1,904,555.00 | 1,904,555.00 | 5,925,100.00 |
| 8/ 1/ 0 | 2,195,000.00 | 7.550000 | 1,904,555.00 | 4,099,555.00 |              |
| 2/ 1/ 1 |              |          | 1,821,693.75 | 1,821,693.75 | 5,921,248.75 |
| 8/ 1/ 1 | 2,370,000.00 | 7.650000 | 1,821,693.75 | 4,191,693.75 |              |
| 2/ 1/ 2 |              |          | 1,731,041.25 | 1,731,041.25 | 5,922,735.00 |
| 8/ 1/ 2 | 2,560,000.00 | 7.750000 | 1,731,041.25 | 4,291,041.25 |              |
| 2/ 1/ 3 |              |          | 1,631,841.25 | 1,631,841.25 | 5,922,882.50 |
| 8/ 1/ 3 | 2,770,000.00 | 7.850000 | 1,631,841.25 | 4,401,841.25 |              |
| 2/ 1/ 4 |              |          | 1,523,118.75 | 1,523,118.75 | 5,924,960.00 |
| 8/ 1/ 4 | 2,995,000.00 | 7.900000 | 1,523,118.75 | 4,518,118.75 |              |
| 2/ 1/ 5 |              |          | 1,404,816.25 | 1,404,816.25 | 5,922,935.00 |
| 8/ 1/ 5 | 3,240,000.00 | 7.950000 | 1,404,816.25 | 4,644,816.25 |              |
| 2/ 1/ 6 |              |          | 1,276,026.25 | 1,276,026.25 | 5,920,842.50 |
| 8/ 1/ 6 | 3,510,000.00 | 8.000000 | 1,276,026.25 | 4,786,026.25 |              |
| 2/ 1/ 7 |              |          | 1,135,626.25 | 1,135,626.25 | 5,921,652.50 |
| 8/ 1/ 7 | 3,805,000.00 | 8.000000 | 1,135,626.25 | 4,940,626.25 |              |
| 2/ 1/ 8 |              |          | 983,426.25   | 983,426.25   | 5,924,052.50 |
| 8/ 1/ 8 | 4,120,000.00 | 8.050000 | 983,426.25   | 5,103,426.25 |              |
| 2/ 1/ 9 |              |          | 817,596.25   | 817,596.25   | 5,921,022.50 |

METRO CONVENTION CENTER  
RATES AS OF MAY 13, 1987  
DEBT SERVICE SCHEDULE  
=====

DEBT SERVICE SCHEDULE  
=====

| DATE    | PRINCIPAL     | COUPON   | INTEREST      | PERIOD TOTAL   | FISCAL TOTAL |
|---------|---------------|----------|---------------|----------------|--------------|
| 8/ 1/ 9 | 4,465,000.00  | 8.050000 | 817,596.25    | 5,282,596.25   |              |
| 2/ 1/10 |               |          | 637,880.00    | 637,880.00     | 5,920,476.25 |
| 8/ 1/10 | 4,840,000.00  | 8.050000 | 637,880.00    | 5,477,880.00   |              |
| 2/ 1/11 |               |          | 443,070.00    | 443,070.00     | 5,920,950.00 |
| 8/ 1/11 | 5,250,000.00  | 8.100000 | 443,070.00    | 5,693,070.00   |              |
| 2/ 1/12 |               |          | 230,445.00    | 230,445.00     | 5,923,515.00 |
| 8/ 1/12 | 5,690,000.00  | 8.100000 | 230,445.00    | 5,920,445.00   |              |
| 2/ 1/13 |               |          |               |                | 5,920,445.00 |
|         | -----         |          | -----         | -----          |              |
|         | 65,000,000.00 |          | 85,954,288.75 | 150,954,288.75 |              |
| ACCRUED |               |          |               |                |              |
|         | 65,000,000.00 |          | 85,954,288.75 | 150,954,288.75 |              |
|         | =====         |          | =====         | =====          |              |

DATED 7/ 1/87 WITH DELIVERY OF 7/ 1/87  
BOND YEARS 1,091,411.667  
AVERAGE COUPON 7.876  
AVERAGE LIFE 16.791  
N I C % 7.875515 % USING 100.0000000

GOVERNMENT FINANCE ASSOCIATES, INC., PORTLAND, OREGON

RUNDATE: 05-14-1987 @ 16:01:44 FILENAME: CONVDCENTER KEY: MAY87

Government Finance Associates, Inc.

1300 S.W. 5th Avenue, Suite 2929  
Portland, Oregon 97201  
503/222-1405

REVISED May 10, 1987

METRO CONVENTION CENTER

GENERAL OBLIGATION BONDS

FINANCING SCHEDULE

CODES:

GFA = Financial Advisor (Government Finance Associates)  
MCC = Metro Convention Center  
BC = Bond Counsel (Lindsay Hart - Harvey Rogers)  
WG = Working Group (All of the above)  
UND = Underwriters  
PA = Paying agent/Registrar (to be selected)

| <u>DATE</u> | <u>EVENT</u>  | <u>PARTIES</u> |
|-------------|---|----------------|
| May 13 Wed  | Term sheet and debt service<br>schedules to LC        | GFA            |
| May 15 Fri  | Information for POS due at GFA                        | Working Group  |
|             | Notification of State Treasury<br>of sale date        | GFA            |
| May 20 Wed  | Circulate Bond Resolution                             | BC             |
| May 25 Mon  | Draft Resolution due for dis-<br>tribution to Council | BC             |
| May 27 Wed  | Draft POS circulated to Working<br>Group              | GFA            |
| June 1 Mon  | Comments due to GFA on POS                            | Working Group  |

| DATE          | EVENT  | PARTIES              |
|---------------|--|----------------------|
| June 4 Thurs  | Revised POS distributed to Working Group   | GFA                  |
|               | Final review of POS  | Working Group        |
| June 9 Tues   | Comments due to GFA on POS   | Working Group        |
|               | Distribute Bond Counsel Opinion  | BC                   |
| June 11 Thurs | Final typing of POS  | GFA                  |
|               | COUNCIL MEETING<br>To adopt bond resolution authorizing sale and publication of notice | MCC Council, GFA, BC |
| June 15 Mon   | MEETING:<br>To review rating agenda  | GFA, MCC             |
|               | Draft POS and BC Opinion to Rating Service and Insurance Co.                           | GFA, BC              |
|               | POS to printer   | GFA                  |
|               | <u>RATING SERVICE PRESENTATION</u>   | GFA,                 |
| June 24 Wed   | Fly to New York  | Presentation Team    |
| June 25 Thurs | Rehearsal  |                      |
| June 26 Fri   | Presentation   |                      |
| June 29 Mon   | POS Distributed to UND   | GFA                  |
|               | PUBLICATION DATE FOR NOTICE  | BC                   |
|               | Copy of Official Statement to State Treasury   | GFA                  |
| July 14 Tues  | SALE AND AWARD OF BONDS<br>Open Bids in Bond Counsel's Office                          | MCC, GFA, BC         |
|               | Verify bids  | BC, GFA              |
|               | Invest Good Faith Check  | MCC Treasurer, GFA   |
| Within 4 hr.  | EXECUTIVE OFFICER AWARDS BONDS   | EO, GFA, BC          |
|               | Bond Printing arranged   | BC                   |
|               | Obtain CUSIP numbers   | GFA                  |
|               | Transcript preparation begins  | BC, MCC              |



| <u>DATE</u>   | <u>EVENT</u>   | <u>PARTIES</u> |
|---------------|--|----------------|
| July 29 Wed   | PRE-CLOSING  | Working Group  |
| July 30 Thurs | CLOSING  | Working Group  |
|               | Verify amount of check   | UND, GFA, BC   |
|               | Tax Reform restrictions to be detailed for investment of funds | BC, GFA        |
|               | Invest Proceeds of bonds according to pay-out schedule         | GFA, MCC Treas |

LINDSAY, HART, NEIL & WEIGLER  
LAWYERS  
SUITE 1800  
222 S.W. COLUMBIA  
PORTLAND, OREGON 97201-6618  
TELEPHONE (503) 226-1191  
TELECOPIER (503) 226-0079  
TELEX 494-7032

ABS BUILDING  
2-4-16 KUDAN MINAMI  
CHIYODA-KU  
TOKYO 102 JAPAN  
(03) 239-2815

2011 EYE STREET, N.W.  
WASHINGTON, D.C. 20036  
(202) 296-3006

JEFFERSON PLACE  
350 N. 9TH, SUITE 400  
BOISE, IDAHO 83702  
(208) 336-8844

345 CALIFORNIA STREET  
SUITE 2200  
SAN FRANCISCO, CALIFORNIA 94104  
(415) 984-5858

June 10, 1987

HAND DELIVERY

Metropolitan Service District  
Mr. Lyndon "Tuck" Wilson, Jr.  
Mr. Neil McFarlane  
2000 S.W. First Avenue  
Portland, OR 97201

Ms. Rebecca Marshall  
Government Finance Associates, Inc.  
1300 S.W. Fifth  
Suite 2929  
Portland, OR 97201

Re: Metropolitan Service District  
General Obligation Convention Center Bonds, Series 1987  
\$65,000,000

Ladies and Gentlemen:

Enclosed is a revised copy of the resolution.

Please do not hesitate to call if you have any questions  
or comments.

Very truly yours,

LINDSAY, HART, NEIL & WEIGLER

*Debbie K. Thomas*

Debbie K. Thomas, Secretary for  
Richard D. Roberts

RDR/dkt

Enclosure

RDRdkt398

8. RESOLUTIONS

8.1 Consideration of Resolution No. 87-767, for the Purpose of Authorizing the Issuance of General Obligation Bonds in the Amount of \$65 Million for the Financing of Acquisition and Construction of a Regional Convention and Trade Show Facility

Tuck Wilson, Convention Center Project Director, reviewed the history of the project and the relationship of proposed state financing to the action being requested of the Council. He also reviewed the sequence of events regarding the actual sale of the bonds. He requested the Council call a special meeting for July 9, 1987, for the purpose of approving the bond sale. He also noted an revised version of the Resolution had distributed for Council consideration at this meeting. He then introduced Rebecca Marshall of Government Finance Associates and Dick Roberts of Lindsay Hart Neil & Weigler who were available to answer questions regarding the sale of general obligation bonds.

Councilor Ragsdale noted the revised resolution did not contain language regarding award of bond sale and delivery. Mr. Wilson explained that by removing that language, the Council, rather than the Executive Officer, would approve the bond sale. Presiding Officer Waker said the Council Convention Center Committee had requested that change be made due to the significance of the event.

Motion: Councilor Ragsdale moved, seconded by Councilor Cooper, to adopt the revised version of Resolution No. 87-767.

Councilor Ragsdale explained that the bonds could not be sold if the State Legislature did not approve \$15 million financing for the project or if the proposed Local Improvement District was not approved by the Portland City Council.

Councilor Cooper asked if interest would be accrued on funds between July 1 and July 9. Rebecca Marshall explained funds would not be received until July 9 but it was common to list the first of the month on official documents.

Councilor Van Bergen asked Ms. Marshall and Mr. Roberts to give their professional recommendations regarding whether the Council should authorize sale of general obligation bonds for the Convention Center Project. Ms. Marshall recommended the Council authorize the sale. Mr. Roberts said the election approving the bond sale had been validly conducted, the revised resolution now before the Council was correct in format and he recommended the Council authorize the sale in the sense the that action was legal and binding.

Councilor Ragsdale reported that many people had been involved in convention center financing but Kim Duncan, Metro's legislative representative, deserved special credit for her significant efforts.

Presiding Officer Waker announced that pending approval of the resolution, the Council would conduct a special meeting at 11:30 a.m., July 9, 1987, for the purpose of approving bond sales. A lunch would follow the meeting.

Vote: A vote on the motion to adopt the resolution resulted in all eleven Councilor present voting aye. Councilor Kirkpatrick was absent.

The motion carried unanimously and Resolution No. 87-767 was adopted.

8.2 Consideration of Resolution No. 87-766, Amending the Pay and Classification Plans (Lead Accounting Clerk)

Randy Boose, Personnel Officer, reviewed information contained in staff's written report. Don Cox, Accounting Manager, was also available to answer questions of the Council.

Councilor Van Bergen asked if Accounting Division staffing was adequate to handle the increased demands of the Convention Center project. Mr. Cox said additional staff was planned and authorizing a new Lead Clerk position would free up time for the new project the existing Senior Accountants had been devoting to supervising other clerks. Mr. Cox also noted that staff would be working with outside consulting firms would serve as trustees for Metro's investments related to bond sale revenue.

Councilor Van Bergen noted that according to current policy, the proposed trustee arrangement should be reviewed by the Council Management Committee. Mr. Cox explained that consultant Rebecca Marshall was assisting staff in preparing an amendment to the current policy for Management Committee review in August. The Management Committee could then forward their recommendation to the Council.

Motion: Councilor Van Bergen moved, seconded by Councilor Gardner, to adopt Resolution No. 87-766.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Kirkpatrick was absent.

The motion carried unanimously and Resolution No. 87-766 was adopted.