

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPOINTING)	RESOLUTION NO. 87-781
FIRST INTERSTATE BANK OF OREGON,)	
N.A. AS CO-REGISTRAR AND CO-)	Introduced by the
PAYING AGENT FOR \$65,000,000)	Executive Officer
CONVENTION CENTER GENERAL)	
OBLIGATION BONDS, SERIES 1987)	

WHEREAS, On November 4, 1987, the voters of the Metropolitan Service District approved the financing and construction of a convention and trade show center by the District; and

WHEREAS, On June 11, 1987, The Council of the Metropolitan Service District approved Resolution No. 87-767 authorizing the issuance of \$65,000,000 General Obligation Convention Center Bonds, Series 1987; and

WHEREAS, ORS 288.020(1) requires the District to use the State of Oregon's New York registrar and paying agent, (fiscal agent) currently Chase Manhattan Bank; and

WHEREAS, Resolution No. 87-767 requires the Council of the Metropolitan Service District to designate a bank having offices in Portland, Oregon as co-registrar and co-paying agent; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District hereby appoints First Interstate Bank of Oregon, N.A. as the Co-Registrar and Co-Paying Agent of the District for \$65,000,000 General Obligation Convention Center Bonds, Series 1987.

ADOPTED by the Council of the Metropolitan Service District this 9th day of July, 1987.


Richard Waker, Presiding Officer

Upon appointment of the bank, staff will prepare the proper Contract Documents and Scope of Work.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 87-781.

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CONSIDERATION OF RESOLUTION NO. 87-781, FOR THE
PURPOSE OF APPOINTING FIRST INTERSTATE BANK OF
OREGON, N.A. AS CO-REGISTRAR AND CO-PAYING AGENT
FOR \$65,000,000 CONVENTION CENTER GENERAL
OBLIGATION BONDS, SERIES 1987

Date: June 29, 1987

Presented by: Ray Phelps

FACTUAL BACKGROUND AND ANALYSIS

Upon sale and closing of the \$65,000,000 Convention Center General Obligation Bonds, Metro requires the use of a banking institution to provide registration and paying agent services.

The Registrar function is primarily responsible for ensuring control over bond certificates. This control includes maintaining a list (or register) of the owners of each bond certificate and all pertinent information necessary to manage the bond transfer and payment functions.

The Paying Agent's primary duty is to pay principal and interest by check to the registered owners on the scheduled dates per the bond covenant.

Under ORS 288.020(1) Metro is required to use the State Treasurer's designee for the the New York registrar/paying agent -- at this time Chase Manhattan Bank. Metro can select its own local co-registrar and co-paying agent. The co-registrar assists the New York registrar in ensuring an accurate bond register for transactions conducted through it. The co-paying agent allows local investors to redeem their bonds at maturity in a local institution, avoiding delays caused by the distance from New York.

The Official Notice of Sale approved by Council requires the Council to designate the co-registrar and co-paying agent.

Requests For Proposals were issued to major Oregon financial institutions. Responses were received from Oregon First Bank, Oregon Bank, U.S. National Bank of Oregon and First Interstate Bank of Oregon, N.A. With the assistance of Metro's Financial Advisor, Government Finance Associates, staff reviewed the responses received. Staff recommended the selection of First Interstate Bank of Oregon, N.A. as the District's Co-Registrar and Co-Paying Agent. Cost variances among the proposers was insignificant, except for U.S. National Bank of Oregon (see attached). Staff determined First Interstate responded to Metro needs in the most thorough manner, with an understanding of the District's needs.

METROPOLITAN SERVICE DISTRICT
 Bid Comparison
 Co-Registrar and Trustee Proposals

Co-Registrar Assumptions

- Initial registration of the bonds will be performed by Chase Manhattan Bank
- Chase Manhattan will hold the Register (no dual books)
- Portland co-registrar will record any transfer of bonds in Portland and forward a copy of the journal entry to Chase Manhattan
- Bonds may be presented to local co-registrar upon maturity or early redemption

Paying Agent Assumptions

- All paying agent functions will be maintained by Chase Manhattan Bank
- Interest payments will be distributed by Chase Manhattan

Trustee Assumptions

- Proceeds from the sale of the Bonds will be deposited with the Trustee during the construction phase.
- The trustee will "manage" the funds after being given yield restriction instructions and a list of allowable investments
- The trustee will also maintain the debt service funds for eventual transfer to paying agent twice yearly
- The trustee will not be expected to exercise fiduciary services on behalf of the bondholders
- Trustee will issue report regularly regarding yield restriction and investment earnings for rebate calculations

Co-Registrar Services

Bank	Start-Up Fee	Initial Registration	Re-regis- tration	Out-of-Pocket Expenses	Annual Fee	One Principal Payment	Transfer	Out-of-Pocket Expenses	Redemption of Bonds (at mat./early call)	Transaction Costs	Best Guess	
First Interstate Bank	\$150	Chase Manhattan	N/A	\$100	\$300	\$70 (20 bonds @ \$3.50/bond)	\$90 (40 bonds @ \$2.25)	\$100*	\$70 (20 bonds @ \$3.50/bond)	Per bond issued Per cancelled bond posted to journal Per transfer journal page	\$1.25 \$0.25 \$0.75	\$10,055.00
Oregon First Bank	\$0	Chase Manhattan	N/A	\$500	None	\$200 (\$0.50 per \$1,000 redem)	\$40 (1.00)	\$250	\$200 (\$0.50 per \$1,000 redeemed or \$1.00 per \$1,000 early call)	Bond transfer Redemption at mat (\$0.50 per \$1000) Redemption at call (\$1.00 per \$1000)	\$1.00	\$5,375.00
Oregon Bank	\$300	Chase Manhattan	\$250.00 250 @ \$1.00 (do not consider)	\$100	\$300	\$60 (20 bonds @ \$3.00/bond)	\$40 (40 bonds @ \$1.00)	\$100	\$60 (20 bonds @ \$3.00/bond)	Bond transfer	\$1.00	\$10,000.00
US National Bank	\$0	Chase Manhattan	\$202.50 1150 @ \$1.35 (do not consider)	\$122	\$750	\$100 (20 bonds @ \$5.00/bond)	N/C (covered by annual fee)	\$100				\$34,210.00

* Amount not included in proposal; added as base amount.

Councilor Van Bergen said although he favored granting the waiver to Mr. Angel, he recalled that similar waivers had not been granted other petitions. He questioned whether granting this waiver would effect other cases. He had also seen the Angel property and did not think it urban land as Mr. Janik had described.

Richard Botteri, acting General Counsel, advised the Council to adopt a ordinance at some future time that would establish a uniform process by which all applicants could petition for minor locational adjustments. In answer to Councilor Knowles question, he explained that by adopting Ordinance No. 87-224 the Council might be faced with other requests for waivers, but the Council could consider each waiver on a case-by-case basis.

Councilor Van Bergen suggested staff prepare a case law portfolio on UGB cases so the Council could consider UGB matters with consistency.

There being no further testimony, Presiding Officer Waker declared the public hearing closed. He announced a second reading of the Ordinance would take place on July 23, 1987.

10. RESOLUTIONS

10.1 Consideration of Resolution No. 87-781, for the Purpose of Appointing First Interstate Bank of Oregon, N.A. as Co-Registrar and Co-Paying Agent for \$65,000,000 Convention Center General Obligation Bonds

Ray Phelps, Director of Finance & Administration, introduced Rebecca Marshall, Vice President of Government Finance & Associates. He then reviewed the process for selecting a co-registrar and co-paying agent as discussed in staff's written report. A chart in the staff report listed criteria by which various banks were evaluated and how each proposal was rated.

Motion: Councilor Ragsdale moved Resolution No. 87-781 be adopted and Councilor Kirkpatrick seconded the motion.

In response to Councilor Kelley's question, Ms. Marshall explained that First Interstate's bid was very low because they were anxious to work on the project. They had excellent name recognition -- an important factor for nation-wide bond sales -- and a good track record, she said.

Vote: A vote on the motion resulted in all twelve Councilors present voting aye.

The motion carried unanimously.