
METRO

**RESOLUTION NO. 93-1815
OF THE METRO COUNCIL**

A Resolution authorizing the execution of a note to evidence Metro's obligations under the Regional Compact entered into with Tri-Met, expressing Metro's intent to reimburse itself out of bond proceeds for various expenses to be incurred in connection with parking improvements at the Washington Park Zoo, and authorizing, establishing and determining other matters in connection therewith.

**Adopted by Metro Council on
June 24, 1993
Effective on June 24, 1993**

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(Note: This Table of Contents is provided solely for the convenience of the reader and does not constitute a part of this Resolution.)

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A Resolution authorizing the execution of a note to evidence Metro's obligations under the Regional Compact entered into with Tri-Met, expressing Metro's intent to reimburse itself out of bond proceeds for various expenses to be incurred in connection with parking improvements at the Washington Park Zoo, and authorizing, establishing and determining other matters in connection therewith.

BE IT RESOLVED BY THE METRO COUNCIL AS FOLLOWS:

Section A. Findings. The Metro Council hereby finds and determines the matters set forth below in this Section A.

(1) Regional Compact Obligation. Metro has heretofore entered into a Regional Compact Providing for Contributions by Local Governments to the Costs of the Westside Corridor Project (the "Regional Compact"), said Regional Compact being among Metro, the Tri-County Metropolitan Transportation District of Oregon ("Tri-Met"), the City of Portland, Oregon, and Washington County, Oregon. Under the Regional Compact, one of Metro's obligations is to pay Tri-Met the sum of \$2,000,000 on or before July 1, 1993 (the "Metro Contribution") in order to defer part of the costs of extending Tri-Met's light rail mass transit system west toward Hillsboro (the "Westside Project"), which Westside Project will include a light rail stop at the Washington Park Zoo and related park and ride facilities (collectively, the "Zoo Station").

(2) Ability to Defer Payment of Metro Contribution. The Regional Compact further provides that if Tri-Met agrees in writing, payment all or a part of the Metro Contribution may be deferred beyond July 1, 1993, in which event the Metro Contribution shall bear interest from July 1, 1993 at the Past Due Rate (as defined in the Regional Compact).

(3) Zoo Parking Improvements. In connection with the construction of the Zoo Station, it will be necessary for Metro to construct or cause to be constructed various parking facility improvements to serve the Washington Park Zoo and the adjacent facilities of the World Forestry Center and the Oregon Museum of Science and Industry (the "Zoo Parking Improvements"). The Zoo Parking Improvements are currently estimated to have a cost of \$3,500,000.

(4) **Intent to Bond Finance.** Metro intends to finance the Metro Contribution and the cost of constructing the Zoo Parking Improvements out of the proceeds of bonds to be issued under and pursuant to the Metro Charter and Title VIII of the Metro Code (the "Bonds"), which Bonds will be made payable from the revenues derived by Metro from the facilities financed and such other funds and revenue as Metro may hereafter determine to make available for the payment of such Bonds. Metro officers and staff are currently working to structure such Bond financing with a view to enabling Metro to be in the position by the Fall of 1993 to issue the Bonds when it is in the best interest of Metro to do so and circumstances warrant their issuance. It is currently estimated that the Bonds will be issued in the approximate amount of \$5,000,000 .

(5) **Deferral of Metro Contribution.** Because Metro will not be in a position to issue the Bonds on or before July 1, 1993, it will be necessary to defer payment of the Metro Contribution until such time as it is in the best interest of Metro to issue the Bonds and circumstances warrant their issuance. To evidence such deferral, it is necessary and appropriate to authorize the preparation, execution and delivery of a promissory note from Metro to Tri-Met on such terms and conditions as are hereafter authorized to be negotiated on behalf of Metro (the "Note").

(6) **Incurrence of Pre-Issuance Expenditures.** Metro has begun, and will continue, to incur preliminary expenditures relating to design, planning and feasibility of the Zoo Parking Improvements, all within the meaning of Treasury Regulations §1.103-18(i)(2), and will continue to incur from time to time during the additional costs of the Zoo Parking Improvements (such preliminary expenditures together with such other costs incurred and paid prior to the issuance of the Bonds being herein collectively called the "Pre-Issuance Expenditures"), which Pre-Issuance Expenditures in accordance with the project budget and the Metro's operating budget, will ultimately be financed out of the proceeds of the Bonds as and when such Bonds are issued. Pending the issuance of, and the availability of the proceeds derived from sale of, the of Bonds, the Pre-Issuance Expenditures have been and will be paid on an interim basis out of moneys which, in accordance with Metro budget and budgetary practices, are not and will not be available on a long-term basis to pay such costs (the "Advances"), with the expectation and intent that Metro will be reimbursed for all such Advances out of the proceeds of the Bonds as and when the same are issued.

NOW, THEREFORE, BE IT RESOLVED BY THE METRO COUNCIL AS FOLLOWS:

Section 1. Deferral of Payment of Metro Contribution. The Executive Officer, the Deputy Executive Officer and the Director of Finance and Management Information of Metro, and any one of them, are each hereby authorized, empowered and directed, for and on behalf of Metro, to arrange with Tri-Met for the deferral of payment of the Metro Contribution and to negotiate the terms and conditions of such deferral, including but not limited to the rate(s) of interest to be borne by the deferred amount, the frequency of payment of accrued interest (which may include the deferral of all or any portion of the accrued interest until the date of final payment of the principal amount, and the compounding of such deferred interest on a periodic basis), the prepayment terms, the final payment date; *provided that*, in no event shall the all amounts owing to Tri-Met as a result of such deferral be due and payable in full on a date later than January 1, 1998.

Section 2. Issuance of Note. As evidence of Metro's obligation to pay the deferred Metro Contribution, there is hereby authorized to be issued to Tri-Met the Note in the original principal amount of \$2,000,000, which Note shall bear interest at such rate(s) and payable on such dates, be subject to prepayment, and be due and payable in full, all on the terms and conditions to be negotiated as authorized pursuant to Section 1 of this Resolution. The Note shall be payable out of any source of Metro funds or revenues lawfully available for the payment of the Metro Contribution, including but not limited to the proceeds to be derived from the issuance and sale of the Bonds. The Note shall be executed on behalf of Metro by the Executive Officer, the Deputy Executive Officer or the Director of Finance and Management Information of Metro, or any one of them acting individually.

Section 3. Intent to Bond Finance Pre-Issuance Expenditures. The Council hereby declares its intent to finance all Pre-issuance Expenditures out of the proceeds of the Bonds as and when the same are issued, and to reimburse itself out of the proceeds of the Bonds for all Advances made for the purpose of paying on an interim basis all Pre-issuance Expenditures. The Metro Council acknowledges that such reimbursement from Bond proceeds may be made only to the extent that all other applicable requirements of Treasury Regulations §1.103-18 are met with respect to the Bonds, the Pre-Issuance Expenditures, the sources of fund used to make the Advances and such reimbursement from Bond proceeds, but intends, and hereby directs all Metro officials and personnel to take such lawful actions as may be necessary or appropriate in order to ensure, that the Advances be reimbursed from Bond proceeds to the fullest extent permitted by law.

Section 4. Resolution as Authorizing Action and Official Declaration. This resolution is intended to, and shall, constitute:

(i) an Authorizing Action with respect to the Note, within the meaning of and pursuant to Title VIII of the Metro Code; and

(ii) an official declaration on the part of Metro to reimburse itself out of the proceeds of the Bonds for all Advances made to pay Pre-issuance Expenditures, within the meaning of and pursuant to Treasury Regulation §1.103-18.

Section 5. Public Availability of Resolution. Within 30 days after the date of adoption of this resolution, the clerk of the Council shall make a certified copy hereof available for public inspection at the main administrative offices of Metro located on Grand Avenue in the City of Portland, Oregon, and shall keep a such certified copy available for public inspection at said administrative offices until all series of Bonds have been issued.

Section 6. General Authorization of Certain Officers. The Executive Officer, the Deputy Executive Officer and the Director of Finance and Management Information of Metro, and any one of them, are each hereby authorized, empowered and directed, for and on behalf of Metro:

(i) to execute and deliver such other documents, instruments, certificates and agreements as may be necessary or appropriate to carry out and consummate the transactions contemplated by this Resolution; and

(ii) to do and perform all other acts and things necessary or appropriate to carry out and consummate the transactions contemplated by this Resolution.

Section 7. Governing Law. This Resolution shall be interpreted governed by and construed under the laws of the State of Oregon, including the Act, as if it were to be performed wholly within the State of Oregon.

Section 8. Headings Not Binding. The headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 9. Effectiveness of This Authorizing Action. This Resolution shall become effective immediately upon adoption by the Metro Council.

Certification of Authorizing Action

The undersigned do hereby certify that we are the duly elected, appointed, qualified and acting Clerk and Presiding Officer of Metro Council and the Executive Officer of Metro; that the foregoing is a true and complete copy of Authorizing Action No. 93-1815 as adopted by Metro Council at a meeting duly called and held in accordance with law on June 24, 1993; and that the following members of the Council voted in favor of said Authorizing Action:

Buchanan, Devlin, Gardner, Gates, Hansen, Kvistad,
McFarland, McLain, Monroe, Washington and Wyers
(Moore and Van Bergen were absent)

the following members of the Council voted against said Authorizing Action:


None

and the following member of the Council abstained from voting on said Authorizing Action:


None

In witness whereof, the undersigned have hereunto set their hands as of the dates shown below.


Attest:



Judy Wyers, Metro Presiding Officer
Date: 6/25/93



Paulette Allen, Clerk of Metro Council
Date: 6/25/93



Rena Cusma, Executive Officer
Date: 7/9/93

METRO

Counties of Multnomah, Washington and Clackamas
State of Oregon

BOND ANTICIPATION NOTE (Washington Park Zoo Light Rail Transit Station) 1993 SERIES A

ORIGINAL ISSUE DATE
July 1, 1993

INTEREST RATE
Variable Rate

MATURITY DATE
July 1, 1995

PAYEE: *** TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON *******

PRINCIPAL AMOUNT: *** TWO MILLION DOLLARS *******

Metro, a political subdivision organized and existing under the Metro Charter and the laws of the State of Oregon, for value received, hereby promises to pay to the Tri-County Metropolitan Transportation District of Oregon ("Tri-Met") the Principal Amount specified above on the Maturity Date specified above, and to pay interest on the unpaid balance of said Principal Amount at the Variable Rate (hereinafter defined), with all interest accruing at said Variable Rate to be due and payable in full on the Maturity Date or date of earlier retirement of this Note. As used herein, the term "Variable Rate" shall mean a *per annum* rate of interest equal to the then current 90-day Treasury Bill rate for Treasury Bills sold on the day nearest to the first day of the calendar year quarter during which such rate applies. The Variable Rate applicable to the outstanding Principal Amount of this Note shall be adjusted to take account of the then current rate on 90-day Treasury Bills as aforesaid, said adjustments to be made as of the first day of each January, April, July and September, commencing with an adjustment on September 1, 1993, with the Variable Rate as so adjusted to be applicable during the calendar quarter beginning on such date and ending on the last day of such calendar quarter. Interest at the Variable Rate shall be calculated on the basis of a 365-day year and the actual number of days elapsed. Payment of this Note shall be made out of any funds legally available to Metro for the payment hereof, including the proceeds derived from the sale of any bonds issued by Metro in connection with the financing of parking improvements at the Washington Park Zoo.

This Note is being issued pursuant to the provisions of the Metro Charter and certain other provisions of the laws of the State of Oregon (the "Act"), Title VIII of the Metro Code, and Resolution No. 93-1815 (the "Authorizing Action"), adopted by the Metro Council on June 24, 1993. All terms used in this Note but not otherwise defined herein shall have the respective meanings assigned thereto in the Authorizing Action.

This Note is given in satisfaction of Metro's obligations to make the Metro Contribution under and pursuant to Section 3 of a certain Regional Compact Providing for Contributions by Local Governments to the costs of the Westside Corridor Project (the "Regional Compact") entered into by and among Metro, Tri-Met, the City of Portland, Oregon and Washington County, Oregon. This Note supersedes and replaces in all respects Metro's obligation to make the Metro Contribution on the terms and conditions set forth in said Section 3 of the Regional Compact. Metro hereby consents to the assignment of this Note by Tri-Met as security for any Interim Obligations, all as provided in Section 7 of the Regional Compact.

This Note is subject to prepayment in whole or in part at the option of Metro, on any date chosen by Metro. Any prepayment of this Note will be without premium at a prepayment price equal to the principal amount of such prepayment

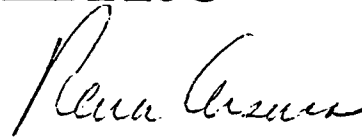
together with all unpaid interest thereon accruing to, but not including, the date of such prepayment. Any prepayment of this Note shall be subject to the condition that Metro shall notify Tri-Met of the date of such prepayment at least one business day prior to such date. Such notification may be sent by mail or by telecopy with phone confirmation to Tri-Met at the following address and fax number, or to such other address and fax number as Tri-Met shall provide to Metro in writing: Tri-County Metropolitan Transportation District of Oregon, 4012 SE 17th Avenue, Portland, Oregon 97202, Attention: Finance Director, Telephone Number: (503) 238-4842, Fax Number: (503) 239-6463.

Payments of the principal of and accrued interest under this Note on the Maturity Date shall be made by wire transfer to the account of Tri-Met upon delivery of this Note to Metro together with wire instructions to be provided by Tri-Met, *provided that*, if, on or before the Maturity Date, or on or before any date chosen by Metro for prepayment and as to which Tri-Met has been notified as provided herein, Tri-Met has not delivered this Note to Metro with appropriate payment wire instructions, Metro shall be entitled to make such payment by draft mailed to Tri-Met by first class mail, postage prepaid, on such payment date, and interest on the principal amount of such payment shall cease to accrue on and after such payment date.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Oregon and the Metro Charter to have happened, to exist and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in regular and due time, form and manner as required by said Constitution, laws, and Metro Charter; that this Note does not exceed any constitutional or statutory limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as set forth herein.

IN WITNESS WHEREOF, METRO has caused this Note to be signed by its duly authorized officer, all as of the Original Issue Date set forth above.

METRO


Paula Arzoo
Authorized Officer

STAFF REPORT

RESOLUTION NO. 93-1815 AUTHORIZING THE EXECUTION OF A NOTE TO EVIDENCE METRO'S OBLIGATIONS UNDER THE REGIONAL COMPACT ENTERED INTO WITH TRI-MET, EXPRESSING METRO'S INTENT TO REIMBURSE ITSELF OUT OF BOND PROCEEDS FOR VARIOUS EXPENSES TO BE INCURRED IN CONNECTION WITH PARKING IMPROVEMENTS AT THE WASHINGTON PARK ZOO, AND AUTHORIZING, ESTABLISHING AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

Date: June 9, 1993

Presented by: Jennifer Sims

BACKGROUND

Metro is committed through Resolution No. 91-1449A to contribute \$2,000,000 to the construction of the Westside Light Rail Project. The planned method for payment is to issue revenue bonds secured by parking revenues from the parking lot surrounding the lightrail station. This lot is under long-term lease from the City of Portland and is currently managed through a joint operating agreement with OMSI and the World Forestry Center.

The most cost effective strategy for making the \$2,000,000 payment is to tender a note to Tri-Met for the amount due. The note would bear interest to be paid at the time Metro completes a long-term financing, which would be no later than July 1, 1995. Resolution No. 93-1815 authorizes execution of such a note to evidence Metro's obligations under the Regional Compact entered into with Tri-Met on September 10, 1992. In the interim, Metro is preparing to issue revenue bonds the timing of which will be based on such factors as market conditions and completion of the joint parking lot operating agreement.

The proposed Resolution also establishes Metro's intent to reimburse, out of the proceeds of the bonds when they are issued, advances made for pre-issuance expenditures. Pre-issuance expenditures may include design, planning, feasibility studies, and interest costs incurred on the \$2,000,000 note, as defined by Treasury Regulations §1.103-18 (i)(2).

RECOMMENDATION

Executive Officer recommends adoption of Resolution No. 93-1815.

FINANCE COMMITTEE REPORT

RESOLUTION NO. 93-1815 AUTHORIZING THE EXECUTION OF A NOTE TO EVIDENCE METRO'S OBLIGATIONS UNDER THE REGIONAL COMPACT ENTERED INTO WITH TRI-MET; EXPRESSING METRO'S INTENT TO REIMBURSE ITSELF OUT OF BOND PROCEEDS FOR VARIOUS EXPENSES TO BE INCURRED IN CONNECTION WITH PARKING IMPROVEMENTS AT THE WASHINGTON PARK ZOO; AND AUTHORIZING, ESTABLISHING AND DETERMINING OTHER MATTERS

Date: June 16, 1993

Presented By: Councilor Devlin

COMMITTEE RECOMMENDATION: At its June 9, 1993 meeting the Committee voted unanimously to recommend Council adoption of Resolution No. 93-1815. All Committee members were present and voting.

COMMITTEE DISCUSSION/ISSUES: Jennifer Sims, Finance Director, presented the Staff Report. She stated the resolution primarily does two things: 1) it authorizes the Executive Officer to arrange a deferral of payment to Tri-Met of the \$2,000,000 obligation for the Zoo light rail station by issuing a note in the amount of \$2,000,000 plus interest to Tri-Met; and 2) it declares the intent of the Council to finance all pre-bond issuance costs out of the proceeds of the bonds which will likely be issued in the future to pay for the obligation to Tri-Met and necessary related parking lot improvements.

Ms. Sims reminded the Committee that the Council by prior action (Resolution No. 91-1449A) had obligated Metro to contribute \$2,000,000 for the West Side Light Rail Project and that because there will be a station located in the parking lot paid parking will be necessary to control the usage of the lot for the benefit of the Zoo and adjacent facilities. To provide for paid parking substantial improvements will be necessary to be made to the parking lot. The anticipated financing for all the costs will be from revenue bonds which will require Council approval.

In response to a question from Councilor Kvistad, Ms. Sims stated that the current interest rate for such a note would be 3.13%.

In response to a question from Councilor Van Bergen, Ms. Sims said the primary Council staff involvement in the parking lot project was Sherry Sheng, Zoo Director and Andy Cotugno, Planning Director. Councilor Van Bergen requested the Chair of the Committee to communicate with the Presiding Officer his concern that the Council or one of its committees needs to become more involved in the oversight of this project. Council Staff suggested that the appropriate administrative staff appear before the Regional Facilities Committee for a briefing on the project to date. Ms. Sims said she would assist in this effort.