

BEFORE THE METRO COUNCIL

A RESOLUTION AUTHORIZING THE) RESOLUTION NO. 95-2146
ISSUANCE OF A BOND ANTICIPATION)
NOTE TO REFUND AN OUTSTANDING) Introduced by Mike Burton
NOTE IN ORDER TO EXTEND THE)
INTERIM FINANCING FOR VARIOUS)
IMPROVEMENTS AT THE ZOO.)

WHEREAS, Metro has heretofore issued its Bond Anticipation Note dated July 1, 1993 in the original principal amount of \$2,000,000 (the "Outstanding Note"), said Outstanding Note having been given to the Tri-County Metropolitan Transportation District of Oregon ("Tri-Met") to extend the time for Metro to pay to Tri-Met the amounts required under a certain Regional Compact providing for contributions to be made by Metro, the City of Portland, and Washington County to defer a portion of the costs of the Westside Light Rail Extension Project being undertaken by Tri-Met; and

WHEREAS, Metro is currently in the process of arranging for long-term financing to provide the funds necessary to pay the amounts due on the Outstanding Note and to pay the costs of various improvements to the parking lot at Washington Park which serves the Metro Washington Park Zoo and other institutions, said improvements being needed in connection with the light rail station being constructed at the Zoo as part of the Westside Light Rail Extension Project, which long-term financing will be available in the Fall of 1995 following finalization of the construction schedule for said parking lot improvements; and

WHEREAS, the Outstanding Note is due and payable in full on July 1, 1995, and Tri-Met has agreed to accept a refunding note in lieu of payment at that time, thus enabling Metro to defer such payment until it has available to it the proceeds of the long-term financing referred to above; and

WHEREAS, Metro is authorized under the laws of the State of Oregon, and, in particular, the Metro Charter and Metro Ordinance No. 93-495 (said Ordinance adding various financing provisions as Article VIII of the Metro Code) (collectively, the "Act"), to issue bonds and other obligations for the purpose of providing the funds needed to in connection with Metro's governmental undertakings, including obligations issued to refund outstanding obligations of Metro;

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

Section 1. The Metro Council hereby authorizes the issuance of a refunding Bond Anticipation Note in the principal amount of Two Million One Hundred Seventy One Thousand Five Hundred

Fifty Dollars and Seventy One Cents (\$2,171,550.71) (the "Note"), said principal amount representing the principal and interest due on the Outstanding Note at maturity. The Note shall:

(i) be dated July 1, 1995 and be due and payable in full on November 1, 1995;

(ii) bear interest at a rate equal to the then current 90-day Treasury Bill rate for Treasury Bills sold on the date nearest to July 1, 1995;

(ii) be issued in substantially the form attached hereto but with such changes, additions and deletions as may be necessary or appropriate and not in conflict with the terms and provisions of this authorizing resolution.

The Note shall be payable from any funds legally available to Metro for the payment thereof, including but not limited to the proceeds of any bonds or other financing obligations issued or undertaken by Metro for such purpose. The Note shall be executed on behalf of Metro by its Director of Finance and Management Information. The Note shall be issued and delivered to Tri-Met in exchange for, and in consideration of the cancellation of, the Outstanding Note.

Section 2. This resolution is intended to constitute full authority for the issuance and delivery of the Note for the purposes described herein. The Executive Officer and the Director of Finance and Management Information are hereby authorized, empowered and directed, for and on behalf of Metro, to take all actions necessary or appropriate to issue and deliver the Note for the purposes described herein, including but not limited to the execution and delivery of all documents, instruments and certificates required in connection therewith.

Section 3. This Resolution shall take effect immediately upon its adoption by the Council.

Adopted this 18 day of May, 1995.



J. Ruth McFarland
Presiding Officer of Metro Council

METRO
 COUNTIES OF MULTNOMAH, WASHINGTON AND CLACKAMAS
 STATE OF OREGON
BOND ANTICIPATION NOTE
 (WASHINGTON PARK ZOO LIGHT RAIL TRANSIT STATION)
1995 SERIES A

ORIGINAL ISSUE DATE JULY 1, 1995	INTEREST RATE VARIABLE RATE	MATURITY DATE NOVEMBER 1, 1995
PAYEE: ***** TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON *****		
PRINCIPAL AMOUNT: ***** TWO MILLION ONE HUNDRED SEVENTY ONE THOUSAND ***** ***** FIVE HUNDRED FIFTY AND 71/100 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 October, commencing with an adjustment on October 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. 95-2146 (the "Authorizing Action"), adopted by the Metro Council on ____, 1995. 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 to refund amounts due under a bond anticipation note previously given by Metro to Tri-Met 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. 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 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

Authorized Officer

STAFF REPORT

EXTENDING FOR FOUR MONTHS, UNTIL NOVEMBER 1, 1995, THE CURRENT AGREEMENT WITH TRI-MET TO FINANCE METRO'S \$2 MILLION CONTRIBUTION TOWARD THE COST OF THE WASHINGTON PARK ZOO LIGHT RAILSTATION.

Date: May 5, 1995

Presented by: Jennifer Sims
Finance Director

FACTUAL BACKGROUND AND ANALYSIS

Resolution 95-2146 extends the current agreement with Tri-Met to finance Metro's \$2 million contribution towards the cost of the Washington Park Light Rail station for four months, until November 1, 1995.

At the time the funding package for the Westside Light Rail project was assembled, Tri-Met asked several of the jurisdictions along the proposed route to contribute towards the cost of the project. Tri-Met asked Metro for a \$2 million contribution in recognition of the benefits Metro would receive from the construction of a light rail station serving the Metro Washington Park Zoo. Metro agreed to the \$2 million contribution and agreed to make this payment on July 1, 1993.

With the approach of July 1, 1993, Metro did not yet have a source of cash to make this contribution, but plans were under development to convert the Washington Park parking lot into a paid parking facility. The revenues from this lot can be used to pay this contribution. Because the paid parking lot was not yet ready for long-term financing, Metro offered Tri-Met a Bond Anticipation Note to secure its contribution until such time as Metro obtained long-term financing for the paid parking lot. The Bond Anticipation Note carried a rate of interest equal to the current 90 day Treasury Bill rate, adjusted quarterly. The Bond Anticipation Note comes due July 1, 1995.

Long-term financing for the paid parking lot will not be in place July 1, 1995. The Council is being requested by Resolution No. 95-2147 (on the May 18 agenda) to authorize the submission of a loan application to the Oregon Economic Development Department to pay for this contribution and the costs of converting the lot. This resolution (95-2146) refunds the existing Bond Anticipation Note and replaces it with a new Bond Anticipation Note which will become due and payable on November 1, 1995. The interest rate on the new note will be set according to the current 90 day Treasury Bill rate as of July 1, 1995. This will allow time for funds to be received from the Oregon Economic Development Department to pay off the Note. The principal of the new Note will be \$2,171,550.71, which encompasses the original \$2 million plus interest accrued from July 1, 1993 to July 1, 1995.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 95-2146.

CP:rs

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