

BEFORE THE METRO COUNCIL

TO AUTHORIZE ISSUING)	RESOLUTION NO. 96-2399
GENERAL OBLIGATION BONDS TO)	Introduced by
FINANCE ZOO IMPROVEMENTS)	Mike Burton, Executive Officer

WHEREAS, The Metro Council submitted to the legal voters of Metro the question of contracting a general obligation bonded indebtedness in the sum of \$28,800,000 to finance improvements at the Metro Washington Park Zoo which improve conditions for animals, visitor accessibility, and education and recreation opportunities; and

WHEREAS, the election was duly and legally held on September 17, 1996, and a majority of the qualified voters of Metro voting at the election approved issuance of the bonds; and,

WHEREAS, the Metro Council now finds it desirable to authorize issuance of those bonds;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Authorization and Sale; Delegation.

1.1. To finance the costs of capital construction and improvements to the Metro Washington Park Zoo which were authorized by the voters on September 17, 1996, Metro shall issue its General Obligation Bonds (Metro Washington Park Zoo Oregon Project), 1996 Series A (the "Bonds") in a principal amount of not more than Twenty-eight Million Eight Hundred Thousand Dollars (\$28,800,000). The Bonds shall be sold by competitive or negotiated sale at a price and bear interest at rates which result in a true interest cost of no more than seven percent (7.00%) per annum. The Bonds shall be in substantially the form attached to this resolution as Exhibit A.

1.2. The Executive Officer of Metro or the person designated by the Executive Officer to act on behalf of Metro under this Resolution (the "Executive Officer") may, on behalf of Metro and without further action by the Metro Council:

- 1.2.1. participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for the Bonds;
- 1.2.2. establish the maturity schedule, redemption terms, dates and other terms of the Bonds;
- 1.2.3. appoint a paying agent and registrar for the Bonds (the "Registrar");
- 1.2.4. prepare and publish notices of sale for the bonds, accept bids and award the sale of the bonds to the most favorable responsive bidder, or select one

or more underwriters, negotiate the terms of, and execute and deliver, an agreement with the underwriters which establishes the terms under which the Bonds will be sold;

- 1.2.5. undertake to provide continuing disclosure for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;
- 1.2.6. enter into covenants to protect the registered owners of the Bonds (the "Owners");
- 1.2.7. apply for and purchase municipal bond insurance or other obtain other forms of credit enhancement for the Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents;
- 1.2.8. issue, sell and deliver the Bonds; and
- 1.2.9. take any other action in connection with the Bonds which the Executive Officer finds will be advantageous to Metro.

Section 2. Security.

2.1. Metro pledges its full faith and credit to pay the Bonds. Metro shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within Metro, without limit as to rate or amount, outside the limits of Sections 11 and 11b of Article XI of the Oregon Constitution and in addition to Metro's levies within the limits of Sections 11 and 11b of Article XI of the Oregon Constitution, in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay the Bonds promptly as they mature, and Metro covenants with the Owners to levy such a tax annually during each year that any of the Bonds are outstanding.

2.2. This resolution is intended to constitute a contract with the Owners. The covenants contained in this Resolution and any covenants in the closing documents for the Bonds shall constitute contracts with the Owners, and shall be enforceable by them.

Section 3. Bond Book-Entry-Form.

3.1. The Bonds shall be initially issued in book-entry-only ("BEO") form and shall be governed by this Section 3. While Bonds are in BEO form no physical bonds shall be made available to Owners in accordance with Metro's blanket Letter of Representations (the "Letter") to the Depository Trust Company of New York ("DTC"). While the Bonds are in BEO form, registration and transfer of beneficial interests in the Bonds shall be governed by the Letter and the operational arrangements of DTC, as they may be amended from time to time, as provided in the Letter.

3.2. So long as Bonds are in BEO form, DTC shall be treated as the Owner for all purposes, including payment and the giving of notices to Owners. Bond payments shall be made, and notices shall be given, to DTC in accordance with the Letter. Any failure of DTC to advise any of its participants, or of any participant to notify the beneficial owner, of any such payment, or any such notice and its content or effect, shall not affect the validity of the redemption of Bonds or of any other action premised on such payment or notice.

3.3. Metro may discontinue maintaining the Bonds in the BEO form at any time. Metro shall discontinue maintaining the Bonds in BEO form if DTC determines not to continue to act as securities depository for the Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found.

3.4. If Metro discontinues maintaining the Bonds in BEO form, Metro shall cause the Registrar to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth in Section 5 below, regarding registration, transfer and exchange of Bonds shall apply.

3.5. While the Bonds are in BEO form, Metro and the Registrar shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:

3.5.1. the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any beneficial owner's interest in the Bonds;

3.5.2. the delivery to any participant or correspondent or any other person of any notice with respect to the Bonds, including any notice of prepayment;

3.5.3. the selection by DTC of the beneficial interest in Bonds to be redeemed prior to maturity; or

3.5.4. the payment to any participant, correspondent, or any other person other than the Owner of the Bonds as shown in the registration books maintained by the Registrar, of any amount with respect to principal or interest on the Bonds.

3.6. Metro shall pay or cause to be paid all principal and interest on the Bonds only to or upon the order of the Owners, and all such payments shall be valid and effective to fully satisfy and discharge Metro's obligation with respect to payment thereof to the extent of the sum or sums so paid.

3.7. Upon delivery by DTC to Metro and to the beneficial owner of written notice to the effect that DTC has determined to substitute a new nominee in place of the nominee, then the word "nominee" in this order shall refer to such new nominee of DTC, and upon receipt of such notice, Metro shall promptly deliver a copy thereof to the Registrar. DTC shall tender the Bonds it holds to the Registrar for reregistration.

3.8. The provisions of this Section 3 may be modified without the consent of the beneficial owners in order to conform this Section to the standard practices of DTC for Bonds issued in BEO form.

Section 4. Redemption of Bonds.

4.1. The Bonds shall be subject to redemption on the terms established by the Executive Officer pursuant to Section 1.2 of this Resolution. Metro reserves the right to purchase Bonds in the open market.

4.2. If any Bonds are subject to mandatory redemption, Metro may credit against the mandatory redemption requirement any Bonds of similar maturities which Metro has previously purchased or which Metro has previously redeemed pursuant to any optional redemption provision.

4.3. So long as Bonds are in BEO form, the Registrar shall notify DTC of any early redemption not less than 30 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by the Letter.

4.4. During any period in which the Bonds are not in BEO form, unless waived by any Owner of Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Registrar on behalf of Metro by mailing a copy of an official redemption notice by first class mail postage prepaid at least 30 days and not more than 60 days prior to the date fixed for redemption to the 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 Owner to the Registrar. Metro shall notify the Registrar of any intended redemption not less than 45 days prior to the redemption date. All such official notices of redemption shall be dated and shall state:

- 4.4.1. the redemption date,
- 4.4.2. the redemption price,
- 4.4.3. 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,
- 4.4.4. 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
- 4.4.5. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

Section 5. Authentication, Registration and Transfer.

5.1. No Bond shall be entitled to any right or benefit under this Resolution unless it shall have been authenticated by an authorized officer of the Registrar. The Registrar shall authenticate all Bonds to be delivered at closing of the Bonds, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Resolution.

5.2. The ownership of all Bonds shall be entered in the Bond register maintained by the Registrar, and Metro and the Registrar may treat the person listed as owner in the Bond register as the Owner for all purposes.

5.3. While the Bonds are in BEO form, the Registrar shall transfer Bond principal and interest payments in the manner required by DTC.

5.4. If the Bonds cease to be in BEO form, the Registrar shall mail each interest payment on the interest Payment Date (or the next Business Day if the Payment Date is not a Business Day) to the name and address of the Owners as they appear on the Bond register as of the Record Date. If payment is so mailed, neither Metro nor the Registrar shall have any further liability to any party for such payment.

5.5. 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 Owner submits the following to the Registrar:

5.5.1. written instructions for exchange or transfer satisfactory to the Registrar, signed by the Owner or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Registrar and

5.5.2. the Bonds to be exchanged or transferred.

5.6. 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.

5.7. The Registrar shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond register.

5.8. For purposes of this Section 5, Bonds shall be considered submitted to the Registrar on the date the Registrar actually receives the materials described in Section 5.5, above.

5.9. Metro may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners. 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 6. Maintenance of Tax-Exempt Status.

6.1. Metro covenants for the benefit of the Owners to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for Bond interest to be excluded from gross income for federal income taxation purposes (except for certain taxes on corporations). In determining whether a particular act will affect the exclusion of Bond interest from gross income under the Code, Metro may rely on an opinion of nationally recognized bond counsel.

6.2. Metro specifically covenants that it shall not take any action or omit any action, if it would cause the Bonds to become "arbitrage bonds" under Section 148 of the Code, and shall pay any rebates or penalties which may be due under Section 148 of the Code.

6.3. Metro specifically covenants that it shall operate the facilities financed with the Bonds so that the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

Section 7. Defeasance.

Metro may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in amounts which, in the opinion of an independent certified public accountant, are sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity or any earlier date for which the issuer has given irrevocable instructions for redemption. Bonds which have been defeased pursuant to this Section 7 shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

Section 8. Reimbursement.

Federal laws controlling the excludability of bond interest from gross income under the Code require an issuer of such bonds to declare its intention if it intends to use bond proceeds to reimburse expenditures the issuer makes from revenues. Metro hereby declares its official intent to use Bond proceeds to reimburse expenditures Metro makes from revenues prior to issuance of the Bonds.

ADOPTED this third day of October, 1996.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

Exhibit A
Form of Bond

No. R-«BondNumber»

\$«PrincipalAmtNumber»

UNITED STATES OF AMERICA
STATE OF OREGON
METRO
GENERAL OBLIGATION BONDS
(METRO WASHINGTON PARK ZOO OREGON PROJECT)
1996 SERIES A

Dated Date: _____
Interest Rate Per Annum: ____%
Maturity Date: _____
CUSIP Number: _____
Registered Owner: ____CEDE & CO.____
Principal Amount: ____ DOLLARS____

Metro, a regional government organized under Article XI, Section 14 of the Oregon Constitution, ORS Chapter 268 and the Metro Charter, and located in the urban portions of Multnomah, Clackamas and Washington Counties, Oregon, for value received, acknowledges itself indebted and hereby promises to pay to the order of the Registered Owner (as defined below) the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on the ____ day of ____ and the ____ day of ____ in each year until maturity, commencing _____. Payment of each installment of principal or interest shall be made to the registered owner hereof whose name appears on the registration books of Metro (the "Registered Owner") maintained by Metro's paying agent and registrar, which is currently Wells Fargo Bank, National Association, in Portland, Oregon (the "Registrar") as of the close of business on the ____ day of the calendar month immediately preceding the applicable interest payment date. For so long as this bond is in book-entry-only form, principal and interest payments shall be paid on each payment date to the nominee of the securities depository for the Bonds. On the date of issuance of this Bond, the securities depository for the Bonds is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company.

This bond is one of a duly authorized series of bonds of Metro aggregating \$28,800,000 in principal amount which are designated as General Obligation Bonds (Metro Washington Park Zoo Oregon Project), 1996 Series A (the "Bonds"). The Bonds are issued to finance capital construction and improvements to the Metro Washington Park Zoo pursuant to the approval granted to Metro by its voters at an election duly called and held on September 17, 1996, and pursuant to a resolution of the Metro Council adopted on October 3, 1996 (the "Resolution"), and in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the Charter of Metro.

The Bonds constitute valid and legally binding obligations of Metro. The full faith and credit of Metro are pledged to pay the principal and interest on the Bonds when due. In the Resolution Metro has covenanted to levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within Metro, without limit as to rate or amount, in sufficient amount, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, to pay the Bonds promptly as they mature, and Metro has covenanted with the Registered Owners of the Bonds to levy such a tax annually during each year that any of the Bonds are outstanding.

The Bonds are initially issued in book-entry-only form with no certificates provided to the beneficial owners. Records of ownership of beneficial interests in the Bonds will be maintained by The Depository Trust Company and its participants.

Should the book-entry-only security system be discontinued, the Bonds shall be issued in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. Such Bonds may be exchanged for Bonds of the same aggregate principal amount, but different authorized denominations, as provided in the Resolution.

The Bonds are subject to redemption on the terms shown in the final official statement for the Bonds which is dated _____, 1996.

Any transfer of this Bond must be registered, as provided in the Resolution, upon the bond register kept for that purpose by the Registrar. This Bond may be registered only by surrendering it, together with a written instrument of transfer which is satisfactory to the Registrar and which is executed by the Registered Owner or his duly authorized attorney. Upon registration, a new registered Bond or Bonds, of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Resolution. Metro and the Registrar may treat the person in whose name this Bond is registered on the bond register as its absolute owner for all purposes, as provided in the Resolution.

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 and the Charter of Metro; that the issue of which this Bond is a part, and all other obligations of Metro, are within every debt limitation and other limit prescribed by such Constitution and Statutes; and that Metro has covenanted to levy a tax to pay the Bonds upon all taxable property within Metro as provided in the Resolution.

IN WITNESS WHEREOF, the Metro Council has caused this Bond to be signed by facsimile signature of its Presiding Officer and attested by facsimile signature of its Executive Officer, as of the date indicated above.

METRO

Jon Kvistad, Presiding Officer

Mike Burton, Executive Officer

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

CERTIFICATE OF AUTHENTICATION

This is one of the \$28,800,000 aggregate principal amount of Metro, Oregon General Obligation Bonds (Metro Washington Park Zoo Oregon Project), 1996 Series A, issued pursuant to the Resolution described herein.

Date of authentication: _____, 1996.
Wells Fargo Bank, National Association, as Registrar

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Please insert social security or other identifying number of assignee)

this 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 this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company

Signature Guaranteed _____
(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this 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.

STAFF REPORT

TO AUTHORIZE ISSUING GENERAL OBLIGATION BONDS TO FINANCE ZOO IMPROVEMENTS.

Date: September 23, 1996

Presented by: Craig Prosser

BACKGROUND AND ANALYSIS

Resolution 96-2399 authorizes the issuance of the Metro Washington Park Zoo Oregon Project General Obligation Bonds. The resolution establishes the terms and conditions under which the bonds will be sold. The bonds were approved by voters on September 17, 1996.

The Zoo bonds will not exceed \$28,800,000. The bonds will be sold through competitive sale, unless market conditions change significantly between now and the sale date. Bids will be opened on Wednesday, October 23, 1996. The bonds will close and money will be available on November 1, 1996.

The resolution authorizes the Executive Officer or his designee to set the sale terms and conditions, to establish the term of the bonds, and to execute all documents needed to finalize the sale. The resolution specifies that the bond interest rate cannot exceed 8%, though the actual interest rate is expected to be lower. We also anticipate that the term of the bonds will be 20 years.

BUDGET IMPACT

There is no budget impact on this Resolution.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 96-2399.