

MINUTES OF THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

Special Meeting
July 9, 1987

Councilors Present: Tanya Collier, Larry Cooper, Tom DeJardin,
Jim Gardner, Gary Hansen, Sharron Kelley,
Corky Kirkpatrick, David Knowles, Mike
Ragsdale, George Van Bergen and Richard
Waker

Councilors Absent: Mike Bonner

Also Present: Rena Cusma, Executive Officer

Staff Present: Tuck Wilson, Neil McFarlane, Ray Phelps,
Sandy Bradley, Sandy Stallcup, Kim Duncan,
Janet Scaeffler, Vickie Rocker, Chuck
Stoudt, Bob Applegate and Ray Barker

Presiding Officer Waker called the special meeting to order at
11:35 a.m. for the purpose of considering Resolution No. 87-783.

Consideration of Resolution No. 87-783, for the Purpose of Accepting
a Bid for the Purchase of Metropolitan Service District General
Obligation Bonds, Series 1987, and Directing Delivery and Sale
Thereof

Tuck Wilson, Convention Center Project Director, presented staff's
report. He noted the preconditions identified on page 21 of the
Preliminary Official Statement had all been met. On July 8, the
Council of the City of Portland established a local improvement
district (LID) to assess \$5 million as the City's share of Conven-
tion Center funding. Also on July 8, Governor Goldschmidt signed
Senate Bill 962 which appropriated state funding for the Oregon
Convention Center.

Mr. Wilson introduced Harvey Rogers, Metro's Bond Counsel, who would
report on the bid opening that had occurred earlier in the day; and
Rebecca Marshall who would discuss the significance of the bid.

Mr. Rogers reported six bids had been received the Merrill Lynch had
submitted the winning bid with a true interest cost of 7.377798
percent. The next highest bid, submitted by Kidder, Peabody & Co.,
came in at 7.395 percent and four other bids received were slightly
higher.

Rebecca Marshall congratulated Metro for receiving an excellent
bid. She explained that staff had been planning under the assump-
tion an 8 percent bid would be received. Because the bid came in at
about 7.4 percent, taxpayers would save approximately \$5 million
dollars over 25 years. During the election campaign, an average tax

Metro Council, Special Meeting
July 9, 1987
Page 2

rate of 14 cents had been quoted. The average tax rate was now 13.3 cents, she said. She explained that in the past week the market began to stabilize, the dollar increased, and the supply of Oregon bonds became low -- all factors which worked in favor of Metro. Ms. Marshall also pointed out that Metro's excellent bond rating had been the most significant factor in keeping bid percentages low.

Ms. Marshall explained Moody's A-1 rating had been expected. However, one day later Standard and Poor gave the project a AA+ rating, being fully aware of Moody's rating. Standard and Poor quoted the following reasons for assigning that rating: 1) healthy finances for the entire Metro operation over the past five years and excellent prospects for continued financial health; 2) sound fiscal planning for Convention Center operations; 3) strong Portland economy when compared to the national picture; and 4) low debt burden, given this was Metro's first project, and no large, future general obligation bond debts planned.

Ms. Marshall discussed Metro's presentation in New York City for the purpose of obtaining a bond rating. She said the presentation was among the best she had seen. The team of Executive Officer Cusma, Councilor Mike Ragsdale, Ray Phelps, Tuck Wilson, Jennifer Sims and herself had convinced the toughest rating agency -- Standard and Poor -- that Metro could do an excellent job. She also commended Metro and Government Finance Associates staff who had worked "behind the scenes" in Portland.

Executive Cusma added that Metro was very fortunate to have Ms. Marshall as part of their team and she recommended adoption of Resolution No. 87-783.

Motion: Councilor Ragsdale moved adoption of Resolution No. 87-783. Councilor DeJardin seconded the motion.

Councilor Ragsdale also commended Ms. Marshall on her outstanding work in tutoring staff and Councilors on the presentation to secure a bond rating. He asked Mr. Wilson to introduce all Metro staff who had worked on the project, saying each person had done an excellent job. Mr. Wilson introduced Dave Wachob of Turner Construction Company and Neil McFarlane, Sandy Stallcup, Sandy Bradley, Jan Scaeffler, and Kim Duncan of Metro. Councilor Ragsdale said it was a great day for Metro and he looked forward to delivering a convention center on time and on budget.

Presiding Officer Waker noted the project was at the "end of the beginning." The design concept phase was complete and Metro now had all the resources in place to commence construction. He looked forward to future challenges.

Metro Council, Special Meeting
July 9, 1987
Page 3

Vote: A vote on the motion to adopt the Resolution resulted
in:

Ayes: Councilors Collier, Cooper, DeJardin, Gardner,
Hansen, Kelley, Kirkpatrick, Knowles, Ragsdale,
Van Bergen and Waker

Absent: Councilor Bonner

The motion carried and Resolution No. 87-783 was unanimously adopted.

There being no futher business, Presiding Officer Waker adjourned
the meeting at 11:50 a.m.

Respectfully submitted,



A. Marie Nelson
Clerk of the Council

amn
7860C/313-2
07/13/87