

ORDINANCE NO. 5011

An Ordinance of the City of McMinnville authorizing Full Faith and Credit Bonds for multiple purposes.

RECITALS:

Whereas, the City is authorized to issue revenue bonds for a public purpose by ORS 287A.150 (the "Act"), which states that those bonds may be payable from all or any portion of the "revenue" of the City, as defined in ORS 287A.001(16); and,

Whereas, ORS 287A.001(16) defines "revenue" to mean all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled; and,

Whereas, the City may authorize revenue bonds under the Act by nonemergency ordinance, but may not sell the revenue bonds under the Act until the period for referral of the nonemergency ordinance authorizing the revenue bonds has expired; and,

Whereas, if a nonemergency ordinance authorizing the revenue bonds is referred, the City may not sell the revenue bonds unless the voters approve the revenue bonds; and,

Whereas, the City desires to issue revenue bonds under the Act that are secured by all lawfully available funds of the City and a pledge of the City's full faith and credit and taxing power, as permitted by ORS 287A.315, to finance:

- a payment to Oregon PERS to pay-off the City's estimated share of the transition liability (the "PERS pay-off"), and
- projects described in the McMinnville Urban Renewal Plan (the "Urban Renewal Projects").

Whereas, the McMinnville Urban Renewal Agency, Oregon (the "Agency") is projected to have sufficient tax increment revenues to pay the amounts due from the City in connection with the financing of the Urban Renewal Projects, and will enter into an intergovernmental agreement with the City to use tax increment revenues to pay those amounts.

Now, therefore, THE COMMON COUNCIL FOR THE CITY OF McMINNVILLE ORDAINS AS FOLLOWS:

Section 1. Revenue Bonds Authorized under the Act. The City hereby determines that financing the PERS pay-off and the Urban Renewal Projects serve public purposes. The City hereby authorizes the issuance of:

- not more than \$3,600,000 in aggregate principal amount of revenue bonds under the Act to finance the PERS pay-off and to finance other costs related to issuing the financing (the “Financing for PERS”); and
- not more than \$2,200,000 in aggregate principal amount of revenue bonds under the Act to finance Urban Renewal Projects and to finance other costs related to issuing the financing (the “Financing for Urban Renewal Projects”).

A. The revenue bonds authorized by this Section 1 may be payable from all lawfully available funds of the City and may be secured by the City’s full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution pursuant to ORS 287A.315.

B. The revenue bonds authorized by this Section 1 are estimated to be issued in an aggregate principal amount not to exceed \$5,800,000.

C. No bonds authorized by this Section 1 may be sold and no purchase agreement for any of those bonds may be executed until the period of referral of this nonemergency ordinance has expired and this ordinance takes effect. If this ordinance is referred, the City may not sell the bonds authorized by this Section 1 unless the voters approve this ordinance.

Section 2. Payments from Tax Increment Revenues for Financing for Urban Renewal Projects. The City Official is authorized to enter into one or more intergovernmental agreements with the Agency, under which the Agency agrees to provide tax increment revenues in sufficient amounts to pay all amounts due from the City under the Financing for Urban Renewal Projects. The intergovernmental agreements shall be in substantially the form attached to this ordinance as Exhibit A, but with any changes the City Official may approve.

Section 3. Delegation. After this ordinance takes effect the City Manager, the Finance Director or the person designated by the City Manager or the Finance Director to act on behalf of the City under this ordinance (each of whom is referred to in this ordinance as a “City Official”) may, on behalf of the City and without further action by the Council:

A. Issue all or a portion of the revenue bonds authorized by Section 1 of this ordinance (the “Bonds”) in one or more series, which may be sold at different times.

B. Issue the Bond as financing agreements, notes or under any other structure the City Official deems desirable and is permitted under the Act.

C. Subject to the limits in this ordinance, establish the final principal amounts, interest rates, redemption terms, payment terms and dates, and other terms for each series of the Bonds, and select one or more lenders and negotiate the sale of any series with those lenders.

D. Enter into agreements with McMinnville Water and Light to allocate responsibility for the PERS transition liability and to establish the amount of the PERS pay-off.

E. Finalize the terms of, execute, and deliver the documents that describe the terms of each series of the Bonds. The documents may also contain covenants for the benefit of the owners.

F. Appoint and enter into agreements with service providers for the Bonds.

G. Issue any qualifying series of Bonds as "tax-exempt bonds" bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the "Code") and enter into covenants for the benefit of the owners of those series to maintain the excludability of interest on those series from gross income under the Code.

H. Issue any series of Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.

I. Designate any series of Bonds as a qualified tax-exempt obligation pursuant to Section 265(b)(3) of the Code, if applicable.

J. Execute any documents and take any other action in connection with the Bonds that the City Official finds will be advantageous to the City.

Passed by the Council this 27th day of September 2016, by the following votes:

Ayes: Jeffries, Menke, Ruden, Yoder

Nays: _____

Approved this 27th day of September 2016.

MAYOR

Attest:

Approved as to form:



CITY RECORDER

CITY ATTORNEY

EXHIBIT A

Form of Intergovernmental Agreement