

**ORDINANCE NO. 2015-01**

**ORDINANCE OF THE CITY OF FOREST GROVE, WASHINGTON  
COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF  
CAMPUS IMPROVEMENT AND REFUNDING REVENUE BONDS  
TO FINANCE AND REFINANCE PROJECTS FOR PACIFIC  
UNIVERSITY; AND DECLARING AN EMERGENCY**

**WHEREAS**, the City of Forest Grove, Oregon (the "City") is authorized to issue revenue bonds to finance education facilities under ORS 352.790 to 352.820 and ORS 287A.150 (collectively, the "Act") and to refund outstanding campus improvement revenue bonds under ORS 352.800 and ORS 287A.360 to 287A.375; and,

**WHEREAS**, Pacific University (the "University") has requested the City issue campus improvement revenue bonds pursuant to the Act to finance one or more of the following capital projects located on the University's campus in the City: (i) capital improvements to Price Hall; (ii) capital improvements to Scott Hall; (iii) capital improvements to Strain Hall; (iv) the purchase, construction, and equipping of up to two portable buildings; and (v) other capital improvements related to these projects, including landscaping, sidewalks, and capital infrastructure (collectively, the "Projects"); and,

**WHEREAS**, the University has also requested the City issue refunding campus improvement revenue bonds to refund all or any portion of the City's Campus Improvement and Refunding Revenue Bonds (Pacific University Project), Series 2005A (Tax-Exempt) issued in the original principal amount of \$41,000,000 (the Prior Bonds);

**WHEREAS**, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that the governmental unit issuing the revenue bonds approve the issuance of the bonds after a public hearing; and,

**WHEREAS**, on February 23, 2015, the City Council conducted a Public Hearing to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the revenue bonds and the uses and purposes of the proceeds of the revenue bonds; and,

**WHEREAS**, notice of the Public Hearing held by the City Council was published on February 8, 2015 in *The Oregonian* (the "Notice").

**NOW, THEREFORE, THE CITY OF FOREST GROVE ORDAINS AS FOLLOWS:**

**Section 1. Revenue Project Bonds Authorized.** The City hereby authorizes the issuance of not more than three million two hundred thousand dollars (\$3,200,000) in aggregate principal amount of campus improvement revenue bonds (the "Project Bonds") under the Act to finance costs of the Projects, all or a portion of a debt service reserve fund, if any, and costs of issuing the Project Bonds.

**Section 2. Revenue Refunding Bonds Authorized.** The City hereby authorizes the issuance of revenue bonds pursuant to ORS 352.800 and ORS 287A.360 to 287A.375 to refund all or any portion of the Prior Bonds. The refunding bonds authorized by this Section 2 (the “Refunding Bonds”) may be issued in an amount sufficient to refund all or any portion of the Prior Bonds, to fund all or a portion of a debt service reserve fund, if any, and to pay estimated costs related to those Refunding Bonds.

**Section 3. Security for the Bonds.** The Project Bonds and Refunding Bonds (collectively, the “Bonds”) authorized by this Ordinance shall be special, limited obligations of the City and shall be payable solely from the revenues and resources provided by the University. The Bonds will not constitute a debt of the City nor shall any Bonds be payable from any funds of the City or any tax levied upon any property within the City nor any other political subdivision of the State of Oregon.

**Section 4. Sale of the Bonds.** No Bonds authorized by this Ordinance 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 Ordinance unless the voters approve this Ordinance.

**Section 5. Delegation.**

The Director of Administrative Services, the City Manager, or the designee of the Director of Administrative Services or the City Manager (the “City Official”) is hereby authorized on behalf of the City and without further action by the City Council, to:

- (A) Issue the Bonds in one or more series.
- (B) Publish a notice of sale, receive bids and award the sale of each series of Bonds to the bidder complying with the notice and offering the most favorable terms, or select one or more underwriters, commercial banks or other investors and negotiate the sale of any series of Bonds with those underwriters, commercial banks or investors.
- (C) Determine the final principal amount of the Bonds, the interest rate or rates, fixed or variable, which the Bonds shall bear, mandatory and optional redemption terms, maturity schedules, payment terms and dates, record dates, any reserve requirements, and other terms of the Bonds.
- (D) Engage the services of paying agents, verification agents, escrow agents, financial advisors, remarketing agents, trustees, and any other professionals whose services are desirable for the financing.
- (E) Prepare, execute, deliver one or more indentures, supplemental indentures, bond declarations, loan agreements, or amendments to such documents which shall specify the security for each series of the Bonds, and the terms and administrative provisions under which each series of

the Bonds are issued, and contain the terms and conditions under which the City shall lend the proceeds of each series of the Bonds to the University. These documents may allow for conversion of the Bonds into other interest rate modes, including conversion from taxable to tax-exempt rates, and may contain additional covenants for the benefit of the owners of the Bonds, providers of credit enhancement and reserve sureties.

- (F) Issue any qualifying series of Bonds as “tax-exempt bonds” bearing interest that is excludable from gross income under 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.
- (G) Issue any series of Bonds as “taxable bonds” bearing interest that is includable in gross income under the Code.
- (H) Deem final and authorize the distribution of a preliminary official statement for the Bonds, authorize the preparation and distribution of a final official statement or other disclosure document for the Bonds, and enter into agreements to provide continuing disclosure for owners of the Bonds.
- (I) Apply for ratings for the Bonds, determine whether to purchase municipal bond insurance, reserve sureties, or obtain other forms of credit enhancement and liquidity enhancement for the Bonds, enter into agreements with the providers of credit enhancement and liquidity enhancement, and execute, deliver and acquire related documents, if applicable.
- (J) Prepare, execute, deliver one or more escrow deposit agreements and file any required advance refunding plans for the Refunding Bonds with the State of Oregon.
- (K) Take any action to call, redeem, defease and prepay the Prior Bonds.
- (L) Execute and deliver any related certificates or documents and take any other action in connection with the Bonds which the City Official finds are reasonably required to issue the Bonds or will be advantageous to the City.

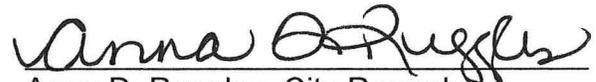
**Section 6.** Approval of Bonds.

The City Council hereby approves of the issuance of the Bonds for the purposes of Section 147(f) of the Code.

**Section 7.** Emergency Ordinance. The Council declares that an emergency exists in order that the Bonds may be issued as soon as possible; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

**PRESENTED AND PASSED** the first reading the 23<sup>rd</sup> day of February, 2015.

**PASSED** the second reading the 23<sup>rd</sup> day of February, 2015.

  
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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 23<sup>rd</sup> day of February, 2015.

  
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Peter B. Truax, Mayor