

**RESOLUTION NO. 2016-54**

**RESOLUTION OF THE CITY OF FOREST GROVE, OREGON,  
AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS  
TO REFINANCE PROJECTS FOR PACIFIC UNIVERSITY**

**THE CITY OF FOREST GROVE, OREGON (THE “CITY”) DOES HEREBY RESOLVE AS FOLLOWS:**

**WHEREAS**, the City of Forest Grove, Oregon (the “City”) is authorized to refund outstanding campus improvement revenue bonds under ORS 352.800 and ORS 287A.360 to 287A.375; and,

**WHEREAS**, the University has requested the City issue refunding revenue bonds to refund all or any portion of the City’s City of Forest Grove, Oregon, Campus Improvement Revenue Bond (Pacific University Project), Series 2013A issued in the original, maximum principal amount of \$18,500,000 (the “Prior Bond”);

**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 September 26, 2016, the City 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 refunding bonds and the uses and purposes of the proceeds of the revenue refunding bonds; and,

**WHEREAS**, notice of the Public Hearing held by the City was published on September 10, 2016, in *The Oregonian* (the “Notice”).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:**

**Section 1.** **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 Bond. The refunding bonds authorized by this Section (the “Refunding Bonds”) may be issued in an amount sufficient to refund all or any portion of the Prior Bond, 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 2.** **Security for the Bonds.** The Refunding Bonds authorized by this Resoluton shall be special, limited obligations of the City and shall be payable solely from the revenues and resources provided by the University. The Refunding Bonds will not constitute a debt of the City nor shall any Refunding 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 3. 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 Refunding Bonds in one or more series.
- (B) Select one or more underwriters, commercial banks or other investors and negotiate the sale of any series of Refunding Bonds with those underwriters, commercial banks or investors.
- (C) Determine the form, final principal amount of the Refunding Bonds, the interest rate or rates, fixed or variable, which the Refunding Bonds shall bear, mandatory and optional redemption terms, maturity schedules, payment terms and dates, record dates, any reserve requirements, and other terms of the Refunding 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 Refunding Bonds, and the terms and administrative provisions under which each series of the Refunding Bonds are issued, and contain the terms and conditions under which the City shall lend the proceeds of each series of the Refunding Bonds to the University. These documents may allow for conversion of the Refunding 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 Refunding Bonds, providers of credit enhancement and reserve sureties.
- (F) Issue any series of Refunding Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.
- (G) Determine whether the savings produced by the refunding are adequate to justify the refunding and select the outstanding maturities of the Prior Bond that will be refunded.
- (H) Take any action to call, redeem, defease and prepay the Prior Bond.
- (I) Execute and deliver any related certificates or documents and take any other action in connection with the Refunding Bonds which the City Official

finds are reasonably required to issue the Refunding Bonds or will be advantageous to the City.

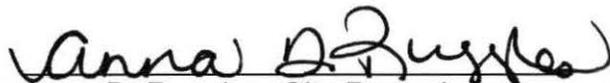
**Section 4.** Approval of Bonds.

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

**Section 5.** Effective Date.

This resolution is effective immediately upon its enactment by the City Council.

**PRESENTED AND PASSED** this 26<sup>th</sup> day of September, 2016.

  
Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 26<sup>th</sup> day of September, 2016.

  
Peter B. Truax, Mayor



*A place where families and businesses thrive.*

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	7
MEETING DATE:	9/26/16
FINAL ACTION:	RESO 20654

**CITY COUNCIL STAFF REPORT**

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**TO:** City Council

**FROM:** Jesse VanderZanden, City Manager

**MEETING DATE:** September 26, 2016

**PROJECT TEAM:** Paul Downey, Director of Administrative Services

**SUBJECT TITLE:** Resolution Authorizing Issuance of Refunding Bonds for Pacific University

**ACTION REQUESTED:**

	Ordinance	Order	X	Resolution	Motion	Informational
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*X all that apply*

**ISSUE STATEMENT:** Due to the favorable interest rate environment, Pacific University wants to refinance the 2013 Revenue Bonds that the City issued on behalf of the University. In order to refinance the 2013 Bonds, the City is being asked to issue new revenue refunding bonds that will refinance the bonds that were issued in 2013. The City needs to hold a public hearing and then approve the issuance of the new bonds as required by Section 147(f) of the Internal Revenue Code. The public hearing is scheduled for tonight and the City’s Bond Counsel has prepared a resolution authorizing the issuance of the revenue refunding bonds.

**BACKGROUND:** The City issued Campus Improvement Revenue Bonds (Pacific University Project), Series 2013A that were loaned to the University and used to finance capital improvements, including (i) construction of an approximately 200-bed, 61,000 square-foot, student residence hall known as Cascade Hall located at 2164 Cedar Street, Forest Grove, Oregon, and (ii) other capital improvements including landscaping, traffic flow improvements, and pedestrian paths located on or adjacent to the University’s campus at 2043 College Way in Forest Grove, Oregon.

The University has an opportunity to refinance the bonds at a lower interest rate which will allow the University to reduce its interest costs and restructure the debt payment schedule. The University is asking the City to issue new bonds so the 2013 Bonds can be refinanced. The amount of the new bonds will be to strictly refinance the 2013 Bonds and pay for all of the costs of issuing the new bonds. The maximum principal amount of the refinance bonds to be issued will be \$18,500,000. No funds are being borrowed to finance any additional projects.

The City has issued numerous bonds for the University since 1995. Like all of the other bond issues, the University will pay all of the debt service on these bonds. The City only issues the bonds on behalf of the University. The principal and interest on the Bond is payable only from the revenues and resources provided by the University and are not payable by the City of Forest

Grove. If the University defaults on a bond payment, the City is not liable for any payment on these bonds.

The purpose of the public hearing will be to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the Bond and the uses and purposes of the proceeds of the Bond. The resolution authorizes the City Manager or the Director of Administrative Services to complete the process to issue the new bonds.

**FISCAL IMPACT:** No city funds are being used to pay the costs of issuing these bonds. All costs of issuing the bonds, including the bond counsel for the City, are the responsibility of Pacific University. There will be some City staff time involved in the process.

The City is charging the University a fee of \$1,500 to pay for City staff time for the issuance process. The University pays for all costs to issue the bonds.

**STAFF RECOMMENDATION:** Staff recommends the City Council approve the attached resolution authorizing the issuance of refunding revenue bonds to refinance projects for Pacific University.

**ATTACHMENT(s):** Resolution

## NOTICE OF PUBLIC HEARING

A public hearing will be held on Monday, September 26, 2016, at 7:00 p.m. at the Community Auditorium, 1915 Main Street in Forest Grove, Oregon, with respect to the issuance by the City of Forest Grove, Oregon (the "City") of its tax-exempt revenue bond (the "Bond") in a principal amount not to exceed \$18,200,000. The proceeds of the Bond will be loaned to Pacific University, a 501(c)(3) organization (the "University"), which will use the Bond proceeds to (i) refinance a portion of the City's outstanding Campus Improvement Revenue Bond (Pacific University Project), Series 2013A (the "Series 2013 Bond"); and (ii) pay certain costs of issuing the Bond.

The proceeds of the Series 2013 Bond were loaned to the University and used to finance capital improvements, including (i) construction of an approximately 200-bed, 61,000 square-foot, student residence hall known as Cascade Hall located at 2164 Cedar Street, Forest Grove, Oregon, and (ii) other capital improvements including landscaping, traffic flow improvements, and pedestrian paths located on or adjacent to the University's campus at 2043 College Way in Forest Grove, Oregon (collectively, the "2013 Projects"). The 2013 Projects are owned by the University with the exception of certain traffic flow improvements which may be owned by the City.

The principal of and interest on the Bond will be payable only from the revenues and resources provided by the University and shall not be payable from a tax of any nature levied upon any property within the City of Forest Grove, Oregon, nor within any other political subdivision of the State of Oregon.

The purpose of the public hearing will be to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the Bond and the uses and purposes of the proceeds of the Bond. The hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard on the question of the issuance of the Bond. Written comments also may be delivered at the public hearing or mailed to the Forest Grove City Recorder at Forest Grove City Hall, 1924 Council Street, Forest Grove, Oregon 97116.

This notice is published pursuant to the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

By order of the City of Forest Grove, Oregon.

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR JACKSON COUNTY  
Case No. 16DR14783  
In the Matter of: BRYAN MARK HENRY, Petitioner, and TIFFANY NICOLE HENRY and JESS FERRIN SCHILBER JR., Respondents.  
NOTICE IS HEREBY GIVEN THAT ON JULY 22, 2016, BRYAN MARK HENRY FILED A PETITION TO ESTABLISH CUSTODY, PARENTING TIME, AND CHILD SUPPORT REGARDING THE MINOR CHILD SATIVA SCHILBER IN JACKSON COUNTY CIRCUIT COURT AS CASE NUMBER 16DR14783. A COPY OF THAT PETITION CAN BE OBTAINED AT THE JACKSON COUNTY COURTHOUSE, 100 S. OAKDALE, MEDFORD, OR 97501, (541) 776-7471. THE ANSWER TO THIS PETITION MUST BE FILED WITHIN THIRTY DAYS OF THE DATE OF THIS NOTICE, ALONG WITH THE REQUIRED FILING FEE, AT THE JACKSON COUNTY COURT AT THE ADDRESS ABOVE. THE FIRST DATE OF PUBLICATION OF THIS SUMMONS IS Sept. 10, 2016.  
Sept. 10, 17 & 24, 2016

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Date: SEPTEMBER 26, 2016

Agenda Item: 7.

Subject: PUBLIC HEARING AND RESOLUTION NO. 2016-54 OF THE CITY OF FOREST GROVE, OREGON, AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS TO REFINANCE PROJECTS FOR PACIFIC UNIVERSITY

# CITY COUNCIL MEETING

## Request to Testify at Public Hearing

**Public Hearings – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign-in for the Public Hearing prior to the meeting. The Mayor or presiding officer will review the complete hearing instructions prior to testimony. The Mayor or presiding officer will call the individual or group by the name given on the sign-in form. When addressing the Mayor and Council, please move to the witness table (center front of the room). Each person should speak clearly into the microphone and must state their first and last name and provided a mailing address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the Mayor or presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.**

*Please sign-in below to testify.*

**PROPONENTS:** *(Please print legibly)*

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

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**OPPONENTS:** *(Please print legibly)*

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

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**OTHERS:** *(Please print legibly)*

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

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