

ORDINANCE No. 179406

GARY BLACKMER  
Auditor of the City of Portland

By Susan Larson  
Deputy

Authorize revenue bonds to finance acquisition of electric system property (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City is authorized to issue revenue bonds for any public purpose under Oregon's Uniform Revenue Bond Act (ORS 288.805 to 288.945 or the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the "revenues" of the City, as defined in the Act. The Act defines "revenues" to include all fees, tolls, taxes, and other income available to the City. The term "Revenues" that is used subsequently in this ordinance has the meaning defined for that term in the Act.
2. The City may authorize revenue bonds under the Act by nonemergency ordinance. The City may not sell the revenue bonds under the Act until the period for referral of that nonemergency ordinance has expired. If a nonemergency ordinance authorizing revenue bonds is referred, the City may not sell the revenue bonds authorized by that ordinance unless the voters approve the ordinance authorizing the revenue bonds.
3. For purposes of this Ordinance, the following definitions shall apply:
  - a. "Bonds" shall mean the revenue bonds authorized by this ordinance.
  - b. "Costs" shall mean all costs and expenses relating to the acquisition, construction, equipping, improvement, expansion and operation of the Project, including but not limited to (i) incidental costs; (ii) engineering, legal, valuation, operations and other consulting fees and expenses; (iii) costs of any intermediaries that assist the City in acquiring any portion of the Project; (iv) costs and expenses of the Bonds and other financing of the Project, including capitalized interest and debt service reserves; (v) costs of paying or defeasing any interim financing in connection with the Project; (vi) payments to refund, redeem or defease any indebtedness relating to the Project; (vii) working capital for the commencement of operation of the Project and capital and operating reserves; and (viii) reimbursement to the City for any Costs paid by the City from sources other than Bond proceeds.
  - c. "Facilities" shall mean Property that is used for the generation, transmission, or distribution of electricity.
  - d. "Project" shall mean any Property that constitutes Facilities, any Property that is useful in connection with the ownership and operation of Facilities, and any Property that is necessary or convenient to acquire in connection with the acquisition of Facilities, including but not limited to the System. This term "Project" is to be broadly construed as including any lawful undertaking which will assist the City in providing electric service to the region and acquiring the System, including payments due under agreements for the acquisition of all or any portion of the System, and acquisition of partial interests or contractual rights, and including modification, disposal or cancellation of any undertaking previously authorized.

e. "Property" shall mean all property, including real and personal property and tangible and intangible property, assets and rights of any nature, including any undivided interests in any Property.

f. "System" shall mean all Property which is or has been owned, co-owned, leased, operated, managed, used or controlled by Portland General Electric Company, its subsidiaries, successors and assigns ("PGE"), including but not limited to: Facilities, all contract rights, power purchase rights, fuel purchase rights, licenses, permits, approvals, rights of use, franchises, and interests therein.

4. The City now finds it financially feasible and in the best interests of the City to authorize the issuance of revenue bonds under the Act to finance any Costs.

5. It is desirable to obtain Three Billion Dollars (\$3,000,000,000) of bonding authority to finance Costs under the Act.

6. The Bonds shall be payable solely from the Revenues of the City that are related to the Project. Before any Bonds are sold, the City shall prepare a plan showing that those estimated Revenues will be sufficient to pay the estimated debt service on the Bonds that are sold.

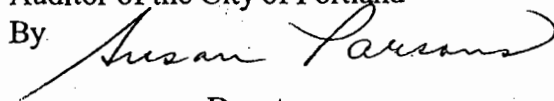
NOW, THEREFORE, the Council directs:

- A. Revenue Bonds Authorized. The City hereby authorizes the issuance of not more than Three Billion Dollars (\$3,000,000,000) in aggregate principal amount of Bonds to finance Costs. The Bonds shall be issued and sold in accordance with the Act. The Bonds may be issued in multiple series, and the City may pledge all or any portion of the Revenues of the City that are related to the Project to secure each series. Prior to selling any series of Bonds the City Council shall establish by emergency or non-emergency ordinance or other council action the terms and conditions of the bonds pursuant to ORS 288.520(1), or shall delegate the authority to establish such terms pursuant to ORS 288.520(4) and ORS 288.825(4)(a).
- B. No Additional Taxes Authorized; Bonds Payable Solely from Revenues. No series of Bonds shall be general obligations of the City and neither the authorization nor the issuance of any series of Bonds shall authorize the City to levy any additional taxes. Each series of Bonds shall be secured solely by the Revenues related to the Project which the City pledges to payment of that series of the Bonds pursuant to ORS 288.825(1).
- C. Procedure. No series of Bonds may be sold and no purchase agreement for any series of Bonds may be executed until the period for referral of this nonemergency ordinance has expired. If this ordinance is referred, the City may not sell any Bonds unless the voters approve enactment of this ordinance.

Passed by the Council, JUL 06 2005  
 Mayor Tom Potter  
 Office of Management and Finance  
 TG:EJ:Bond Counsel  
 June 22, 2005

GARY BLACKMER  
 Auditor of the City of Portland

By



Deputy