



CITY OF
PORTLAND, OREGON

DATE: January 14, 2010

REQUEST FOR PROPOSALS
BANK NON-REVOLVING LINE OF CREDIT

Services Requested By:

**Bureau of Financial Services
Public Finance and Treasury Division
1221 SW Fourth Avenue, Room 120
Portland, OR 97204**

Refer Questions to:

**Patti Tigie
Principal Debt Analyst
Phone: (503) 823-5580
Fax: (503) 823-4209**

**REQUEST FOR PROPOSALS DUE: Wednesday, January 27, 2010
by 1:00 PM**

**ADDRESS RESPONSE TO: City of Portland
Public Finance and Treasury Division
1221 SW Fourth Avenue, Room 120
Portland OR 97204**

RESPONSES WILL BE ACCEPTED VIA FAX OR E-MAIL

**FAXED RESPONSES: (503) 823-4209
E-MAIL REPONSES: ptigue@ci.portland.or.us**

GENERAL INSTRUCTIONS AND CONDITIONS

DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS – The City of Portland seeks to extend contracting opportunities to Minority Business Enterprises, Women business Enterprises and Emerging Small businesses (M/W/ESBs) in order to promote their economic growth and to provide additional competition for city contracts. Therefore, the City has established an overall 20% utilization goal in awarding PTE contracts to ESBs. No goal is set for the use of M/WBE firms, but the City is committed to ensuring that such firms receive opportunities and equal consideration to be awarded City PTE contracts.

ENVIRONMENTALLY PREFERABLE PROCUREMENT - In accordance with the City's Sustainable City Principles and the City's Sustainable Procurement Strategy, it is the policy of the City of Portland to encourage the use of products or services that help to minimize the human health and environmental impacts of City operations. Therefore, proposers are encouraged to incorporate environmentally preferable products or services into their responses wherever possible. "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service. To view the above City policies go to www.portlandonline.com and navigate to "Charter, Code & Policies Documents".

INVESTIGATION- The proposer shall make all investigations necessary to inform it regarding the service(s) to be performed under this request for proposal.

SPECIAL CONDITIONS- Where special conditions are written in the Request for Proposal (RFP), these special conditions shall take precedence over any conditions listed under the Professional, Technical and Expert Service "General Instructions and Conditions".

CLARIFICATION OF REQUEST FOR PROPOSAL- Proposers who request a clarification of the RFP requirements must submit questions in writing to the person(s) shown in the REFER QUESTIONS TO section on the cover of this RFP, or present them verbally at a scheduled pre-submittal conference, if one has been scheduled. The City must receive written questions no later than the date stated herein. The City will issue a response in the form of an addendum to the RFP if a substantive clarification is in order.

Oral instructions or information concerning the RFP given out by Bureau or Office managers, employees or agents to prospective proposers shall not bind the City.

ADDENDUM – Any change to this RFP shall be made by written addendum issued no later than 72 hours prior to the proposal due date. The City is not responsible for any explanation, clarification or approval made or given in any manner except addendum.

COST OF PROPOSAL- This request for proposal does not commit the City to pay any costs incurred by any proposer in the submission of a proposal or in making necessary studies or designs for the preparation thereof, or for procuring or contracting for the services to be furnished under the request for proposal.

CANCELLATION – The City reserves the right to modify, revise or cancel this RFP. Receipt and evaluation of proposals or the completion of interviews do not obligate the City to award a contract.

LATE PROPOSALS- Proposals received after the scheduled closing time for filing will be returned to the proposer unopened.

REJECTION OF PROPOSALS- The City reserves the right to reject any or all responses to the Request for Proposal if found in the City's best interest to do so. In the City's discretion, litigation between the City and a proposer shall be cause for proposal rejection, regardless of when that litigation comes to the City's attention and regardless how the consultant's proposal may have been scored.

CITY OF PORTLAND BUSINESS LICENSE - Selected consultant shall obtain a current City of Portland Business license prior to initiation of contract and commencement of the work.

WORKERS COMPENSATION INSURANCE – the successful consultant shall be covered by Workers Compensation Insurance or shall provide evidence that state law does not require such coverage.

CERTIFICATION AS AN EEO AFFIRMATIVE ACTION EMPLOYER- Proposers must be certified as Equal Employment Opportunity Affirmative Action Employers as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with the Bureau of Purchases, City of Portland, prior to contract execution.

CONFLICT OF INTEREST - A proposer filing a proposal thereby certifies that no officer, agent or employee of the City who has a pecuniary interest in this request for proposal has participated in the contract negotiations on the part of the City, that the proposal is made in good faith without fraud, collusion or connection of any kind with any other proposer of the same call for proposals, and that the proposer is competing solely in its own behalf without connection with or obligation to, any undisclosed person or firm.

CONFIDENTIALITY – All information submitted by proposers shall be public record and subject to disclosure pursuant to the Oregon Public Records act (ORS 192.410 et seq.), except such portions of the proposals for which proposer requests exception from disclosure consistent with Oregon Law. Any portion of a proposal that the proposer claims constitutes a "trade secret" or is "confidential" must meet the requirements of ORS 192.501(2) and ORS 192.502(4).

If a request to inspect the proposal is made, the City will notify the proposer of the request. If the City refuses to release the records, the proposer agrees to provide information sufficient to sustain its position to the District Attorney of Multnomah County, who currently considers such appeals. If the District Attorney orders that the records be disclosed, the City will notify the proposer in order for the proposer to take all appropriate legal action. The proposer further agrees to hold harmless, defend and indemnify the City for all costs, expenses and attorney fees that may be imposed on the City as a result of appealing any decision regarding the proposer's records.

The Debt Manager has the authority to waive minor irregularities and discrepancies that will not affect the competitiveness or fairness of the solicitation and selection process.

These Request for Proposal "General Terms and Conditions" are not to be construed as exclusive remedies or as a limitation upon rights or remedies that may be or may become available under ORS Chapter 279.

CITY OF PORTLAND, OREGON

Request for Proposals:

BANK NON-REVOLVING LINE OF CREDIT

INTRODUCTION

The City of Portland, Oregon (the “City”) wishes to obtain a non-revolving line of credit in the not-to-exceed amount of \$12,000,000 to provide interim financing for costs related to the City’s proposed renovation of PGE Park to accommodate Major League Soccer. Renovations are expected to include construction of additional spectator seating, concession and restroom facilities, locker room and training facility improvements, improved media facilities, and other amenities (collectively, the “Project”). In August 2009, the Portland City Council approved Ordinance 183070 (attached) authorizing the issuance of revenue bonds under Oregon Revised Statutes 287A.150 to finance up to \$12 million for the Project. Under terms of an agreement with Peregrine LLC, the City is required to provide a funding commitment for the Project no later than February 2010.

The City expects to request Project draws over a period of approximately 18 months. However, depending on the terms offered by the successful proposer, the City may elect to fund the project from a single draw made at closing.

Draws made pursuant to the line the credit are likely to be provided directly to the project Funding Agent, U.S. Bank Trust National Association. Under certain circumstances pursuant to the Project Funding Agreement, the Funding Agent may be authorized to request draws on the line of credit directly without City approval.

Renovations are expected to be complete by spring 2011. The construction schedule is not final, so for purposes of this RFP, assume draws on the line occur in approximately equal installments from February 2010 through mid-2011.

The Project does not qualify for tax-exempt financing. Therefore, proposers should assume that interest on the line is taxable.

The line of credit is expected to be repaid with proceeds of long-term limited tax revenue bonds. Bonds are expected to be sold in late 2011 or early 2012 depending on market conditions. The City is requesting an expiration date for the line of five years from the execution date, approximately February 1, 2015, in the event that market conditions are not favorable to issue the bonds, but it is expected that the line would be repaid earlier. As part of its proposal, banks are asked to provide pricing information for line of credit expiring three years from the execution date (e.g., February 1, 2013) if there is any difference from the five year expiration date.

SECURITY FOR THE LINE

The City pledges its Available General Funds, which are all taxes and other legally available general funds of the City.

OTHER TERMS

Table 1 summarizes other terms preferred by the City for the line.

Table 1
CITY OF PORTLAND, OREGON
General Terms for PGE Park Renovation Line of Credit

Amount	Not to exceed \$12,000,000
Authority	Oregon Revised Statutes 287A.150
Security	Full faith and credit
Tax Status	Taxable
Interest Rate	Fixed rate option, or Floating rate based on standard index (e.g., Prime, Treasuries, LIBOR)
Interest Payments	Semi-annual dates to be determined. Interest is expected to be paid from revenues of the City's Spectator Fund.
Expiration Date	February 1, 2015
Permitted Draws	Project expenses and costs of issuance.
Minimum Draw Amount	\$100,000 except for costs of issuance
Draw Period	Up to five years for project costs and issuance costs
Prepayment Option	Option to prepay at any time without penalty

LITIGATION

There is no litigation at the present time which could materially affect the revenues available for repayment of the line.

REQUEST FOR PROPOSAL

The City is requesting proposals for a line of credit. Where applicable, please be specific. Brevity and clarity are appreciated. Proposals may be in the form of a term sheet if you prefer. It is understood that additional information may be required by the bank and therefore a final interest rate will be negotiated once the bank has received all necessary documentation. It is also understood that the necessary legal documents will be prepared jointly with the selected bank.

Please provide the following information regarding the line of credit for the purposes and amounts indicated above.

1. The approximate interest rate for the draws and the basis for its calculation.
 - a. What would be the index and what would be the percent of that index for each rate period? Please identify any adjustments you would make to that index and provide indicative rates.
 - b. What is the basis for computing the rate (e.g., 30/360, actual/360, actual/365, etc.)?
 - c. May the City charge accrued interest and fees to the line to be reimbursed at the maturity date with proceeds of long term bonds or other takeout revenues if the City so desires?
 - d. Under what circumstances, if any, can the interest rate be increased by the bank?
 - e. Please indicate whether any of the above terms (a-d) would change if the City elects to draw the full amount of the line of credit at closing.
2. The basis for calculating any set-up or origination fee for the line. Would such fees be charged at the time of the first draw on the line or upon closing?
3. The amount and basis for other bank fees related to the line.
 - a. Would the bank impose a loan fee based on the amount drawn and when would this be paid?
 - b. Would there be an annual facility fee for the undrawn balance of the line? What would be the frequency of payment of that fee? **Note that the City prefers not to pay such a fee.** If there is such a fee, would you be willing to waive it once an amount or percent of the total facility commitment is drawn? If so, please state the amount or percent drawn that would trigger the waiver.
 - c. Would any of the bank's fees (other than any undrawn balance fee) vary if the full amount of the line is drawn at closing?
4. The maximum for the bank's Legal Counsel fees, if any. The City will provide bond counsel opinion(s), if required, from K & L Gates LLP, at the expense of the City.
5. The maximum for other fees, if any. If direct expenses are expected, please provide an estimate of those fees.
6. The terms under which the City may prepay amounts drawn on the line.
7. The terms under which the City may terminate the line prior to its expiration.
8. Whether there would be any cost advantage in establishing an earlier line of credit expiration date, such as February 1, 2013 rather than the February 1, 2015 date identified in Table 1.
9. The minimum draw amounts, timing restrictions, if any, and any other draw conditions.
10. The credit approval process and document requirements from the City.

11. All substantive covenants, security requirements, or other terms and conditions not covered above.
12. The City's financial reporting requirements during the term of the line.
13. Please confirm that your bank is an FDIC-insured financial institution with total assets in excess of \$500 million.

SCHEDULE OF EVENTS

The projected schedule of events for this proposal is as follows:

- Distribute Request for Proposals Thursday, January 14
- Proposals Due Wednesday, January 27
- Selection of the Successful Proposer Friday, January 29
- Negotiation of Final Terms/Documents Week of February 1
- Closing February 5

RESPONSES AND QUESTIONS

Responses to the above items should be returned to the City by **Wednesday, January 27, no later than 1:00 P.M.**, Prevailing Pacific Time. Please address one copy of your submittal to:

Patti Tigie
Principal Debt Analyst
City of Portland
Public Finance and Treasury Division
1221 S.W. Fourth Avenue, Room 120
Portland, Oregon 97204

Responses may be sent via fax or e-mail. Faxed responses should be sent to (503) 823-4209. Responses via e-mail should be directed to: ptigue@ci.portland.or.us. Questions should be directed to Patti Tigie at 503/823-5580 or Eric Johansen at 503/823-6851.

ORDINANCE No. 183070

Authorize revenue bonds for renovations and improvements to PGE Park (Ordinance)

THE CITY OF PORTLAND ORDAINS:

Section 1. The Council finds:

1. The City is authorized to issue revenue bonds for a public purpose under ORS 287A.150 (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, 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 (the “Revenues”).
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 the nonemergency ordinance authorizing the revenue bonds has expired. 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.
3. The City has determined that there is a need for not to exceed \$12 million of revenue bond financing to provide renovations and improvements to PGE Park for the primary purpose of accommodating professional soccer. The renovations and improvements to PGE Park are expected to include, but are not limited to, construction of spectator seating along the east sideline; additional concession and restroom facilities; locker room and training facility improvements; improved media facilities; field relocation; facility entrance enhancements; and other facility, spectator and team amenities (collectively, the “Project”).

NOW, THEREFORE, the Council directs:

- a. Revenue Bonds Authorized. The City hereby authorizes the issuance of not more than \$12 million (Twelve Million Dollars) in aggregate principal amount of revenue bonds (the “Bonds”) pursuant to the Act to finance the Project and pay related costs. The Bonds authorized by this ordinance shall be payable solely from the Revenues which the City pledges to pay those Bonds. The source of repayment of the Bonds is expected to be the revenues and resources of the City’s Spectator Facilities Fund. In addition, the Bonds will be secured by the full faith and credit and Available General Funds of the City. If Spectator Fund revenues and resources are not sufficient to pay the debt service on the bonds, resources of the General Fund may be required to pay debt service. The Bonds are expected to be subject to federal income taxation.
- b. No Additional Taxes Authorized. No Bonds shall be general obligations of the City and neither the authorization nor the issuance of any Bonds shall authorize the City to levy any additional taxes.
- c. Procedure. No Bonds may be sold and no purchase agreement for any 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 unless the voters approve this ordinance.
- d. Delegation. After this ordinance takes effect the Debt Manager of the City, the Chief Financial Officer of the Bureau of Financial Services, the Chief Administrative Officer of

the Office of Management and Finance, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this ordinance (any of whom is referred to in this ordinance as a “Debt Manager”) may, on behalf of the City and without further action by the Council:

1. provide that the Bonds may be issued in one or more series, which may be sold at different times;
2. issue one or more series of the Bonds to provide interim financing for the Project, enter into lines of credit or similar documents which permit the City to draw Bond proceeds over time, and issue Bonds to refund the Bonds that provide interim financing for the Project;
3. determine the Revenues that are pledged to each series, and whether the City will pledge its full faith and credit to pay that series;
4. participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for each series of the Bonds;
5. subject to the limits in this ordinance, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Bonds;
6. select one or more commercial banks or underwriters and negotiate the sale of any series with those commercial banks or underwriters, or publish a notice of sale, receive bids and award the sale of each series to the bidder complying with the notice and offering the most favorable terms to the City;
7. undertake to provide continuing disclosure for any series of the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission;
8. apply for and purchase municipal bond insurance or other forms of credit enhancement for any series of the Bonds, and enter into related agreements;
9. finalize the terms of, execute, and deliver bond declarations that describe the terms of each series of the Bonds. The bond declarations may also contain covenants for the benefit of the owners and any credit enhancement providers;
10. appoint and enter into agreements with service providers for the Bonds;
11. determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, or is includable in gross income under that code. If a series bears interest that is excludable from gross income under that code, the Debt Manager may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income;
12. execute any documents and take any other action in connection with the Bonds which the Debt Manager finds will be advantageous to the City.