



Addendum

ADDENDUM NUMBER ONE

RFP 12-1945 Financial Advisor Services

The above listed solicitation is hereby amended and clarified through the issuance of this addendum. The following questions were submitted on this solicitation. Questions and answers are being provided to all potential proposers to ensure fairness and impartiality.

The following is in response to questions regarding the Oregon Zoo Infrastructure Bonds.

1. Question: What influenced the structure of each bond?

Answer: The Oregon Zoo operates under a conditional use permit issued by the City of Portland that expires in 2012. Metro was notified by the City that before work could begin on any projects that modified the existing footprint of the Zoo facilities a full master plan was needed that took items such as stormwater runoff and water conservation into consideration. The Zoo also needed to carefully plan the sequencing of projects to minimize the impact on the visitor experience. Until the master plan was completed it was difficult with any certainty to estimate the project cost schedule over the next 5 – 10 years. We could not reasonably meet the IRS requirements for issuance of any larger amount of bonds.

The Voters of the Metro region approved the ballot measure in November 2008. The first issuance of \$5,000,000 was placed in December 2008 with Bank of America to provide the Zoo bond program initial cash flow to hire staff, begin the master planning process and pursue permitting issues with the City of Portland. In August 2010 a second issue of \$15,000,000 was placed with Wells Fargo. The second issue allowed for the continuation of the master planning process and discussions with City of Portland on permitting issues. It also allowed for completion of two of the proposed bond projects – the construction of the new Vet Hospital and the replacement of the Penguin exhibit water filtration system. Both projects could be accomplished within the existing footprint of the Oregon Zoo and therefore, under the existing conditional use permit.

The master planning process is scheduled for completion in September 2011. That will allow the development of a long term project cost schedule over the next 5 – 10 years. With that information in hand, we anticipate a much larger public bond sale of approximately \$50 million in the spring 2012.

2. Question: How was each purchaser selected?

Answer: An abbreviated RFP processed was used. Metro, in conjunction with our financial advisor, developed criteria for the issue such as amount, duration and any particular structural requirements (i.e. callable, BABs, etc). Our financial advisor developed a brief RFP and solicited proposals from selected banks. Proposals were evaluated and the one that best suited Metro's needs was selected.

3. Question: Name of purchaser for each bond

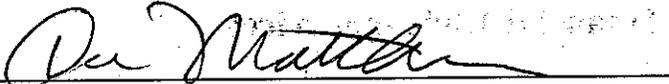
Answer: Bank of America – Oregon Zoo 2008 series; Wells Fargo – Oregon Zoo 2010 series.

4. Question: Amortization schedule and interest rates

Answer: See Attached.

All other terms, conditions, and requirements of the original solicitation remain in full force.

Issued August 18, 2011



Darin Matthews, CPPO, C.P.M.
Procurement Officer

Debt Service Schedule

Paid in Full 6/15/2010

Metro
General Obligation Bonds
Oregon Zoo Infrastructure & Animal Welfare
Series 2008
Semi-Annual Debt Service Schedule

In November 2008, the region's voters approved Measure 26-96, a \$125 million general obligation bond measure that directed Metro to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education. The first series of bonds in the form of a private placement with Bank of America for \$5,000,000 were issued December 22, 2008. Additional issues will be made as overall project planning and permitting progresses. Debt service will be paid from property taxes assessed on real property within the Metro region.

| | | |
|--|-------------|---|
| Amount Issued: | \$5,000,000 | <u>Ratings as of Date of Issuance</u> |
| Issue Date: | 12/22/2008 | Moodys: Aaa |
| Original Issue True Interest Rate (TIC): | 2.2182% | Standard & Poor's: AAA |
| | | Principal Outstanding as of July 1, 2009: \$5,000,000 |

| Payment Due | Interest Rate | Principal Due | Interest Due | Total Debt Service | Total FY Debt Service |
|--------------|---------------|-----------------------|---------------------|-----------------------|-----------------------|
| 12/15/2009 | 2.12% | - | 103,938.89 | 103,938.89 | |
| 6/15/2010 | 2.12% | - | 53,000.00 | 53,000.00 | 156,938.89 |
| 12/15/2010 | 2.12% | 5,000,000.00 | 53,000.00 | 5,053,000.00 | 5,053,000.00 |
| Total | | \$5,000,000.00 | \$209,938.89 | \$5,209,938.89 | \$5,209,938.89 |

Debt Service Schedule

**Metro
General Obligation Bonds
Oregon Zoo Infrastructure & Animal Welfare
Series 2010
Estimated Debt-Service Schedule**

In November 2008, the region's voters approved Measure 26-96, a \$125 million general obligation bond measure that directed Metro to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education. The first series of bonds in the form of a private placement with Bank of America for \$5,000,000 were issued December 22, 2008. A second series of bonds were issued to August 5, 2010 in the form of a two-year private placement with Wells Fargo for \$15 million.

| | |
|--|--|
| Amount Issued: \$15,000,000 Issue Date: 8/5/2010 Original Issue TIC: 0.8491% | Ratings as of Date of Issuance Moody's: Aaa Standard & Poor's: AAA |
| Principal Outstanding as of July 1, 2010: n/a | |

| Payment Due | Interest Rate | Principal Due | Interest Due | Total Debt Service | Total FY Debt Service | Filing Date | |
|--------------|---------------|----------------------|--------------|--------------------|-----------------------|-------------|----------------------|
| | | | | | | (90 days) | (45 days) |
| 12/1/2010 | | - | 63,124.78 | 63,124.78 | | 9/8/2010 | 10/17/2010 |
| 6/1/2011 | 1.31% | 10,835,000.00 | 97,952.25 | 10,932,952.25 | 10,996,077.03 | 3/3/2011 | 4/17/2011 |
| 12/1/2011 | | - | 27,198.07 | 27,198.07 | | 9/3/2011 | 10/17/2011 |
| 6/1/2012 | 1.31% | 4,165,000.00 | 27,198.07 | 4,192,198.07 | 4,219,396.14 | 3/3/2012 | 4/17/2012 |
| Total | | 15,000,000.00 | | 215,473.17 | 15,215,473.17 | | 15,215,473.17 |