

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Jonas Biery <i>JB</i>		2. Telephone No. X 3-4222	3. Bureau/Office/Dept. OMF/Financial Services
4a. To be filed (date): March 21, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Analyst: March 21, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

* Authorize limited tax revenue refunding bonds (Ordinance)

2) Purpose of the Proposed Legislation:

The Ordinance authorizes the issuance of limited tax revenue refunding bonds (the "Bonds") in an amount sufficient to currently refund any or all of the City's Limited Tax Revenue Bonds (Civic Stadium Project), 2001 Series D (Federally Taxable) (the "Refundable Bonds"). The purpose of the refunding is to achieve debt service savings.

Consistent with the provisions of the Refundable Bonds and the Visitor Facilities Intergovernmental Agreement dated January 31, 2011 (the "IGA"), this Ordinance permits the City to pledge its full faith and credit as well as certain amounts due to the City under the IGA to pay the Bonds.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation will not generate or reduce current or future revenues coming to the City.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)*

It is estimated that, based on current market conditions, total debt service savings allocable to the City as a result of the refunding will be approximately \$2.5 million through FY 2022-23.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No position changes in any years are anticipated.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

No position changes in any years are anticipated.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☐ **YES:** Please proceed to Question #9.
☒ **NO:** Please, explain why below; and proceed to Question #10.

This is an administrative action to authorize the issuance of limited tax revenue refunding bonds to achieve debt service savings. In accordance with the existing IGA, a portion of savings from the refunding will be directed toward other eligible purposes identified in the IGA. The City has discussed the refunding with representatives of Metro and Multnomah County.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No. Once approved, the City will issue limited tax revenue refunding bonds as provided by the Ordinance.



Richard F. Goward, Jr.
BUREAU DIRECTOR



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OFFICE OF MANAGEMENT AND FINANCE
Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer

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DATE: March 13, 2013

TO: Mayor Charlie Hales

FROM: Jonas Biery, Debt Manager

RE: *Authorize limited tax revenue refunding bonds (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. INTENDED THURSDAY FILING DATE: March 21, 2013
2. REQUESTED COUNCIL AGENDA DATE: March 27, 2013
3. CONTACT NAME & NUMBER: Jonas Biery, Debt Manager, x3-4222
4. PLACE ON: ☒ ~~CONSENT~~ ☒ ~~REGULAR~~
5. BUDGET IMPACT STATEMENT ATTACHED: X Y N N/A
6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY
ATTACHED: Yes No ☒ N/A

For Regular Agenda
G. Shiley

7. **BACKGROUND/ANALYSIS**

Introduction and History – Attached is an Ordinance for Council consideration and approval on March 27, 2013. The Ordinance authorizes the issuance of limited tax revenue refunding bonds (the “Bonds”) in an amount sufficient to currently refund any or all of the City’s Limited Tax Revenue Bonds (Civic Stadium Project), 2001 Series D (Federally Taxable) (the “Refundable Bonds”). The purpose of the refunding is to achieve debt service savings. It is expected that all outstanding maturities of the Refundable Bonds will be refunded.

The Refundable Bonds were originally issued as a result of the January 31, 2001, Visitor Facilities Intergovernmental Agreement (the “IGA”) between the City, Multnomah County and Metro related to the regional Visitor Development Initiative (the “VDI”). As part of the VDI, the County imposes surcharges on transient lodging taxes and the motor vehicle rental taxes. This revenue stream is dedicated to various uses as prioritized in the IGA, including payment of a portion of annual debt service on the Refundable Bonds. The City is also directly responsible for a portion of annual debt service on the Refundable Bonds as described in the IGA.

Consistent with the provisions of the Refundable Bonds and the IGA, this Ordinance permits the City to pledge its full faith and credit as well as specified amounts due to the City under the IGA to pay the Bonds.

The Ordinance delegates to the Debt Manager certain tasks including preparing and executing a Bond Declaration; establishing the final principal amounts, maturity schedules, interest rates, and other terms related to the sale of the bonds; purchasing municipal bond insurance or other forms of credit enhancement; and executing documents.

If approved by the Council, the City aims to sell the Bonds in April 2013.

Legal Issues – The City is authorized by the Oregon Revised Statutes to issue bonds to refund outstanding bonds.

Link to Current City Policies – The proposed current refunding is being done in conformance with the City's debt policy, which requires net present value savings of at least \$100,000.

Controversial Issues – None

Citizen Participation – Not Applicable

Other Government Participation – The City has discussed the refunding with representatives of Metro and Multnomah County.

8. FINANCIAL IMPACT

It is estimated that, based on current market conditions, total debt service savings allocable to the City as a result of the refunding will be approximately \$2.5 million through FY 2022-23. Total net present value savings as a percentage of the par amount of the refunding bonds is projected to be approximately 20%. The final terms of the refunding and final savings results will not be determined until the sale date of the Bonds, and the City may choose to refund all or only some portion of the Refundable Bonds.

A portion of the total debt service savings will also flow to other purposes identified in the IGA.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve the Ordinance in order to achieve debt service savings