

IMPACT STATEMENT

Legislation title: Authorize limited tax revenue bonds in an amount not to exceed \$52 million to finance infrastructure improvements in City parks, transportation, civic and other capital assets as contemplated in the City's Build Portland infrastructure initiative (Ordinance)

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Purpose of proposed legislation and background information:

The Ordinance authorizes the issuance of revenue bonds in an amount sufficient to provide up to \$50 million to finance infrastructure improvements in transportation, parks and recreation and other City capital assets (the "Projects") under the City's Build Portland initiative. The Ordinance also authorizes additional amounts up to \$2 million to pay estimated costs related to issuing the Bonds. The Bonds will be secured by the City's full faith and credit. The proposed financing is being done in conformance with debt limitations established in the City's Debt Management Policy (FIN 2.12).

Proceeds of the Bonds will provide the first installment of funding related to the Build Portland program. Over the next 10 years, several urban renewal areas will expire as outstanding tax increment bonds are repaid and property taxes supporting urban renewal debt are released to overlapping taxing jurisdictions, including the City. The Bonds will be supported by property taxes returned to the General Fund.

Financial and budgetary impacts:

Debt service is initially expected to be structured with interest only payments to minimize debt service requirements. Current General Fund revenues will be needed to pay debt service until sufficient property taxes are released to support a conventional debt service payment structure comprised of both principal and interest. It is expected that this will occur in FY 2022-23, by which time returned taxes from Airport Way and River District are expected to be sufficient to fully amortize the outstanding Bonds over the remaining years of the financing. Note that any delay in the return of taxes from these two districts may require continuing use of existing General Fund resources to repay the Bonds.

Community impacts and community involvement:

This is an administrative action taken to authorize the issuance of the Bonds, the proceeds of which will be used to finance the Projects. There is no community impact or involvement anticipated.

100% Renewable Goal:

Not applicable.

Budgetary Impact Worksheet**Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

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