

## IMPACT STATEMENT

**Legislation title:** Authorize limited tax revenue bonds to provide up to \$4.6 million to finance technology for the reconstructed Portland Building (Ordinance)

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**Presenter name:** Matt Gierach

### **Purpose of proposed legislation and background information:**

The proposed legislation authorizes the issuance of limited tax revenue bonds (the “Bonds”) in an amount sufficient to provide up to \$4.6 million to pay the costs of providing technology for the reconstructed Portland Building, including, but not limited to audio/visual equipment for meeting/conference rooms, a meeting/conference room scheduling system, a digital signage system, and a print management system for copiers (collectively, the “Project”). Included in this amount is an estimated \$200,000 for 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).

The financing plan for the Project includes both interim financing and long-term takeout financing. The proposed Bonds initially are expected to be issued in the form of a line of credit. The City expects to amend an existing line of credit with U.S. Bank to allow Project expenses to be financed on the line. The ordinance authorizes the Debt Manager, without further action by the Council, to negotiate terms with the bank; prepare documents; establish the final principal amounts, maturity schedules, interest rates, redemption terms, and payment terms and rates; and execute the line.

The Bonds authorized by this ordinance will be sufficient to finance the entire cost of the Project, including costs to be paid by the Water Bureau and Bureau of Environmental Services.

However, these bureaus are expected apply cash or use the proceeds of revenue bonds to pay for their share of the Project costs. Authorizing financing for the full cost of the Project provides flexibility if the Water Bureau and Bureau of Environmental Service choose to use interim financing authorized by this ordinance for their share of the Project costs.

### **Financial and budgetary impacts:**

Interest payments on the line of credit will vary depending on interest rates and timing of draws and will be paid with cash from Facilities Services Fund resources. Upon completion of the Project, the financing plan anticipates the issuance of long-term bonds to repay the line of credit. Debt service on the remaining long-term Bonds, which is projected to begin in FY 2020-21, will be included in blended office space rates for all City-owned and leased office space in downtown Portland (with the exception of public safety bureaus).

**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 Project. 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 |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
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