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191146

Emergency Ordinance

*Create the Cully Tax Increment Finance District Debt Service Fund

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On November 16, 2022, the City Council approved Ordinance 191071, authorizing the Cully Tax Increment Finance District ("Cully TIF District") Plan.
2. Oregon Revised Statutes 457.440 requires that funds shall be raised for an urban renewal plan by dividing property taxes as provided in Article IX, Section 1c, of the Oregon Constitution ("Tax Increment Revenues") and shall be deposited into a special fund for each urban renewal plan to be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.
3. The City issues bonds for all urban renewal plans on behalf of Prosper Portland to generate revenues for projects and pays debt service on the bonds on behalf of Prosper Portland.
4. The financing plan for the Cully TIF District relies upon the issuance of bonded indebtedness secured by the Tax Increment Revenues to fund investments within that urban renewal area.
5. The repayment of the debt will be budgeted in the Cully TIF District Debt Service Fund in compliance with ORS 457.

NOW, THEREFORE, the Council directs:

- A. The Cully TIF District Debt Service Fund (Fund 325) is hereby created. The purpose of the fund is to achieve a proper matching of revenues and expenditures related to the newly created Cully TIF District and to achieve compliance with Oregon Revised Statutes, which requires that a separate fund be created for each urban renewal area.
- B. The fund shall be managed by the Office of Management and Finance, Bureau of Revenue and Financial Services. Debt service expenditures

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)

[Revenue and Financial Services](#)

Contact

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date
January 25, 2023

Portland Policy Document

are supported by yearly property tax collections. The fund has no reserve or contingency requirements.

- C. The Fund Statement of Purpose included as Exhibit A for the Cully TIF District Debt Fund is hereby adopted. The action to adopt the Fund Statement of Purpose in this ordinance is binding City policy.

Section 2. The Council declares that an emergency exists in order that creation of the Cully TIF District Debt Service Fund can be completed for inclusion in the FY 2023-24 budget; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) 14.6 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
January 25, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The proposed legislation creates the Cully TIF District Debt Service Fund. In November 2022, the City Council approved Ordinance 191071, authorizing the Cully Tax Increment Finance District (“Cully TIF District”) Plan.

Oregon Revised Statutes 457.440 requires that funds for an urban renewal plan shall be raised by dividing property taxes as provided in Article IX, Section 1c, of the Oregon Constitution (“Tax Increment Revenues”) and shall be deposited into a special fund for each urban renewal plan to be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

The financing plan for the Cully TIF District relies upon the issuance of bonded indebtedness secured by the Tax Increment Revenues to fund investments within that urban renewal area. The proposed legislation creates the Cully TIF District Debt Service Fund in compliance with ORS 457 and will be used to budget repayment of debt issued by the City on behalf of Prosper Portland for the Cully TIF District.

Financial and Budgetary Impacts

There is no financial impact associated with establishing the fund. This action is necessary for budget development to move forward.

Community Impacts and Community Involvement

This is an administrative action taken to authorize creation of the debt service fund. There is no community impact or involvement anticipated.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

There is no financial impact associated with establishing the fund. This action is necessary for budget development to move forward. ORS requires that funds for an urban renewal plan shall be deposited into a special fund for each urban renewal plan to be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan. The financing plan for the Cully TIF District relies upon the issuance of bonded indebtedness secured by the Tax Incremental Revenues to fund investments within that urban renewal area. The proposed legislation creates the Cully TIF District Debt Service Fund in compliance with ORS 457 and will be used to budget repayment of debt issued by the City on behalf of Prosper Portland for the Cully TIF District.

Agenda Items

72 Consent Agenda in January 25, 2023 Council Agenda

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea