

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator B. Jonas Bierly, Debt Manager		2. Telephone No. (503) 823-4222	3. Bureau/Office/Dept : OMF/Debt Management
4a. To be filed (date): September 29, 2011	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: September 21, 2011
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 long-term bonds for local improvement and sidewalk repair projects and financing of system development charges (Ordinance)

2) Purpose of the Proposed Legislation:

The ordinance authorizes the City to issue limited tax improvement bonds (the "Bonds"), in an amount not to exceed \$4.5 million. The Bonds will be issued to finance assessment contracts for various local improvement district projects and sidewalk improvements, the costs of which have been assessed against specially benefiting property owners. The Bonds also will finance system development charges for property owners who elect to pay those charges over time.

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 checked="" 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.**

There will be no new revenue coming to the City. The increase of assessment contract revenue will be used to service the debt issued to finance the assessment contracts.

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**.)*

There are no additional costs to the City as a result of this Ordinance.

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 positions will be eliminated or created as a result of this Ordinance.

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

No positions will be eliminated or created in the future as a result of this Ordinance.

(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.)*

There are no changes in appropriations.

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 ordinance is carrying out action authorized by the charter and code of the City as well as previous Council authorizations that formed the local improvement districts.

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 additional public involvement is expected beyond the 30-day referral period of this Ordinance.



Richard F. Goward Jr.,
BUREAU DIRECTOR



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Jack D. Graham, Chief Administrative Officer

Bureau of Financial Services
Richard F. Goward Jr., Director & CFO
1120 S.W. Fifth Avenue, Rm. 1250
Portland, Oregon 97204-1912
(503) 823-5288
FAX (503) 823-5384
TDD (503) 823-6868

184933

DATE: September 20, 2011
TO: Mayor Sam Adams
FROM: B. Jonas Biery, Debt Manager
RE: Authorize long-term bonds for local improvement and sidewalk repair projects and financing of system development charges (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** September 29, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** October 5, 2011
3. **CONTACT NAME & NUMBER:** B. Jonas Biery, Debt Manager, x3-4222
4. **PLACE ON:** CONSENT X 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

7. **BACKGROUND/ANALYSIS**

Introduction and History – Attached is an Ordinance for Council first reading and consideration on October 5, 2011. The ordinance authorizes the City to issue limited tax improvement bonds (the “Bonds”), in an amount not to exceed \$4.5 million. The Bonds will be issued to finance assessment contracts for various local improvement district projects and sidewalk improvements, the costs of which have been assessed against specially benefiting property owners. The Bonds also will finance system development charges for property owners who elect to pay those charges over time.

The City is authorized by ORS Chapters 287A to obtain long-term financing for the costs of the local improvement projects, system development charge projects and sidewalk repair projects.

The Bonds will be secured by a pledge of the City's Available General Funds, which are defined as all taxes and other legally available general funds of the City. The Bonds are expected to be paid from assessment contract installment payments for local improvement projects and installment payments of certain systems development and sidewalk charges. Pursuant to existing policy, participating City bureaus are financially responsible for their proportionate share of the debt service on the Bonds in the event that assessment payments are not sufficient to pay the Bonds. Although the Bonds are backed by the City's full faith and credit, the financial structure of the assessment program, coupled with the obligation of the participating bureaus to supplement any cashflow shortfalls, minimizes the potential of general City revenues being used to make payment on the Bonds.

The Ordinance delegates to the Debt Manager certain tasks including issuing one or more series of bonds; 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 the Council approves the Ordinance, the City plans to sell the Bonds through a competitive bidding process in December 2011.

184933

Legal Issues – None

Link to Current City Policies – The proposed financing is in conformance with the City's debt policy.

Controversial Issues – None

Citizen Participation – Not Applicable

Other Government Participation – Staff of the Auditor's Office are working with the Office of Management and Finance to complete this financing.

8. FINANCIAL IMPACT

The City will issue improvement bonds in a principal amount not to exceed \$4.5 million. Debt service will reflect the installment payment schedules elected by property owners that choose to finance their assessments or system development charges.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve this Ordinance in order to allow benefiting property owners to finance assessments or system development charges for public improvements.