

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

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

1. Name of Initiator Jonas Biery <sup>JB</sup>	2. Telephone No. X 3-4222	3. Bureau/Office/Dept. OMF/Financial Services
4a. To be filed (date):  June 21, 2012	4b. Calendar (Check One)  Regular    Consent    4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to Commissioner's office and FPD Budget Analyst:  June 21, 2012
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:**

\* Extend the term to issue short-term subordinate urban renewal and redevelopment bonds (Ordinance)

**2) Purpose of the Proposed Legislation:**

The Ordinance authorizes an extension of the authority provided by Ordinance No. 180963, amended and restated by Ordinance No. 182475 and amended by Ordinance No. 184514 (collectively the "Amended Ordinance") to issue short term subordinate urban renewal and redevelopment bonds (often referred to as "du jour" bonds) through June 30, 2012. The authority of the Amended Ordinance expired on May 23, 2012. The Ordinance is an administrative action that is necessary to allow the Portland Development Commission to access tax increment revenues in the urban renewal debt service funds in excess of the amounts needed to pay debt service through June 30, 2012.

**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 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.

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.)

Approval of this legislation will allow the City to access excess tax increment revenues in the urban renewal debt service funds. The City will repay principal plus interest on any short-term bonds issued. The amount issued will not exceed the tax increment revenues in the urban renewal area's debt service fund, less any amounts needed to pay principal and interest on outstanding long-term debt and lines of credit, and interest on the short-term bonds.

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.)
- 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 taken to extend the City's authority to issue short-term urban renewal and redevelopment bonds through June 30, 2012.

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 the final amount of short-term urban renewal bonds in the timeframe provided by the Ordinance.



Richard F. Goward, Jr.  
BUREAU DIRECTOR



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE

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DATE: June 18, 2012

TO: Mayor Sam Adams

FROM: Jonas Biery, <sup>JB</sup>Debt Manager

RE: \* Extend the term to issue short-term subordinate urban renewal and redevelopment bonds (Ordinance)

FOR MAYOR'S OFFICE USE ONLY  
Reviewed by Bureau Liaison \_\_\_\_\_

185461

- 1. INTENDED THURSDAY FILING DATE: June 21, 2012
- 2. REQUESTED COUNCIL AGENDA DATE: June 27, 2012
- 3. CONTACT NAME & NUMBER: Jonas Biery, Debt Manager, x3-4222
- 4. PLACE ON:  CONSENT  REGULAR
- 5. FINANCIAL IMPACT AND PUBLIC INVOLVEMENT STATEMENT ATTACHED:  
 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 consideration and approval on June 27, 2012. The Ordinance authorizes an extension of the authority provided by Ordinance No. 180963, amended and restated by Ordinance No. 182475 and amended by Ordinance No. 184514 (collectively the “Amended Ordinance”) to issue short-term subordinate urban renewal and redevelopment bonds (often referred to as “du jour” bonds) through June 30, 2012. The authority of the Amended Ordinance expired on May 23, 2012. The Ordinance is an administrative action that is necessary to allow the Portland Development Commission to access tax increment revenues in the urban renewal debt service funds in excess of the amounts needed to pay debt service through June 30, 2012.

**Legal Issues** – Under Oregon law, tax increment collections may only be spent to pay principal and interest on indebtedness. Tax increment collections typically exceed debt service requirements for outstanding long-term debt. Issuing short-term debt frees up surplus revenues for urban renewal projects that do not qualify for long-term debt financing.

**Link to Current City Policies** – None

**Controversial Issues** – None

**Citizen Participation** – Not Applicable

**Other Government Participation** – The Portland Development Commission will consider a resolution requesting the time be extended for the City to issue short-term bonds on its behalf at its June 27th meeting. No bonds will be issued until this resolution has been adopted.

**8. FINANCIAL IMPACT**

The City will repay principal plus interest on any short-term subordinate bonds issued. The amount issued at any time will not exceed the tax increment revenues in the urban renewal area's debt service fund, less any amounts needed to pay principal and interest on outstanding long-term debt and lines of credit, and interest on the short-term bonds.

**9. RECOMMENDATION/ACTION REQUESTED**

It is recommended that Council adopt this Ordinance in order to provide continued funding for urban renewal projects.