

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Jonas Biery ^{JB}	2. Telephone No. X3-4222	3. Bureau/Office/Dept. OMF – Public Finance/Treasury
4a. To be filed (hearing date): May 22, 2014 (May 28, 2014)	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to Commissioner's office and CBO Budget Analyst: 5/22/2014
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 revenue bonds for Columbia River Levee Project engineering analysis (Ordinance)

2) Purpose of the Proposed Legislation:

The Ordinance authorizes the issuance of bonds secured by City's legally available General Funds (the "Bonds") in an amount of up to \$1.4 million to finance an engineering analysis related to the Columbia River Levee Project (the "Analysis").

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 | | | |

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 revenue coming to the City.

5) Expense: What are the costs to the City as a result of 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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. 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**.)

The City will be responsible for repayment of up to \$600,000 of principal (plus accrued interest) on the Bonds. While the final repayment schedule will not be finalized until the financing closes in early July, the estimated annual debt service for which the City will be responsible (net of contributions from other partners as provided in an intergovernmental agreement for which authorization is being requested in a separate ordinance) is expected to be approximately \$110,000 annually in FY2016-17 through FY2022-23. General Fund resources will need to be appropriated for repayment prior to adoption of the FY2016-17 Budget.

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 positions will be created, eliminated or re-classified in the current year or in future years as a result of this legislation.

(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.

9) If “YES,” please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

The Analysis will evaluate the condition of the levee system in Peninsula Drainage Districts #1 and #2 against levee accreditation standards under the National Flood Insurance Program, identify levee system components that do not meet accreditation standards, and, where applicable, develop preliminary engineering designs to remediate deficiencies.

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?

The issuance of the Bonds and the associated Analysis is being completed through cooperation among a large group of intergovernmental partners including the City, the State of Oregon, Metro, the Port of Portland, MCDD, Peninsula Drainage District #1 and Peninsula Drainage District #2, among others. Additionally, Oregon Solutions, with participation from the City, has facilitated a number of meetings and discussions over the past five months among public and private stakeholders including parties to the associated intergovernmental agreement (“IGA”), Multnomah County, property owners within the levee area, and other federal, State and regional agencies.

c) How did public involvement shape the outcome of this Council item?

The parties to the IGA, including their collective authorizing bodies, participated in developing the IGA associated with the issuance of the Bonds.

d) Who designed and implemented the public involvement related to this Council item?

Staff of the Office of Mayor Charlie Hales in conjunction with staff of Oregon Solutions.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Jackie Dingfelder, Policy Director, 503-823-4125,
Jackie.Dingfelder@portlandoregon.gov.

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary. Once the Bonds are issued, proceeds will be used to fund the Analysis and the City will pay its share of the debt service on the Bonds in conformance with the intergovernmental agreement.

A rectangular box containing a handwritten signature in cursive script that reads "Fred Miller".

FRED MILLER, INTERIM CHIEF ADMINISTRATIVE OFFICER



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Charlie Hales, Mayor
Fred Miller, Interim Chief Administrative Officer

Public Finance & Treasury Division
1120 S.W. Fifth Avenue, Rm. 1250
Portland, Oregon 97204-1912
(503) 823-5288
FAX (503) 823-5384
TDD (503) 823-6868

DATE: May 14, 2014

TO: Mayor Charlie Hales

FROM: Jonas Biery, Debt Manager ^{JB}

RE: * Authorize revenue bonds for Columbia River Levee Project engineering analysis (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** May 22, 2014
2. **REQUESTED COUNCIL AGENDA DATE:** May 28, 2014
3. **CONTACT NAME & NUMBER:** Jonas Biery, Debt Manager – x34222
4. **PLACE ON:** **CONSENT** **REGULAR**
5. **BUDGET 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 emergency ordinance for consideration by the City Council on May 28, 2014. The Ordinance authorizes the issuance of bonds secured by City's legally available General Funds (the "Bonds") in an amount of up to \$1.4 million to finance an engineering analysis related to the Columbia River Levee Project (the "Analysis").

The Analysis will evaluate the condition of the levee system in Peninsula Drainage Districts #1 and #2 against levee accreditation standards under the National Flood Insurance Program, identify levee system components that do not meet accreditation standards, and, where applicable, develop preliminary engineering designs to remediate deficiencies. Multnomah County Drainage District ("MCDD") will be responsible for management of the Analysis.

The City expects to negotiate favorable terms on the Bonds in the form of a low-cost flexible loan option from the State of Oregon Infrastructure Finance Authority. Per an intergovernmental agreement that accompanies this financing authorization (the "IGA"), the Port of Portland will contribute a fixed sum to the City of \$300,000 prior to the first Bond payment date to help offset the costs of the Analysis, and responsibility for repayment of the remaining Bonds (of up to \$1,100,000) will be divided among four jurisdictions with the following allocations:

City of Portland	54.5455%
Metro	27.2727%
Peninsula Drainage District #1	9.0909%
Peninsula Drainage District #2	9.0909%

Legal Issues – In accepting repayment responsibility for the Bonds, the City will necessarily face the risk that one or more of the signatories of the IGA could default on their payments to the City. However, staff believe that the risk is very low and that the other parties are committed to helping the City repay the Bonds as described above.

Link to Current City Policies – Issuance of the Bonds will be done in conformance with the City's debt policies.

Controversial Issues – None

Citizen Participation – Oregon Solutions, with participation from the City, has facilitated a number of meetings and discussions over the past five months among public and private stakeholders including parties to the IGA, Multnomah County, property owners within the levee area, and other federal, State and regional agencies.

Other Government Participation – This Analysis is being completed through cooperation among a large group of intergovernmental partners including the City, the State of Oregon, Metro, the Port of Portland, MCDD, Peninsula Drainage District #1 and Peninsula Drainage District #2, among others.

8. FINANCIAL IMPACT

Per the associated IGA, the City will be responsible for repayment of up to \$600,000 of principal (plus accrued interest) on the Bonds. The final repayment schedule will not be finalized until the financing closes in early July. However, the estimated annual debt service for which the City will be responsible (net of contributions from other contributing partners via the accompanying IGA) is expected to be approximately \$110,000 annually in FY2016-17 through FY2022-23. General Fund resources will need to be appropriated for repayment prior to adoption of the FY2016-17 Budget.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve this Ordinance in order to provide funding to complete the Analysis.

ORDINANCE No.

See Substitute Ord. No 186598

* Authorize revenue bonds for Columbia River Levee Project engineering analysis (Ordinance)

THE CITY OF PORTLAND ORDAINS:

Section 1. The Council finds:

1. The City is authorized to issue revenue bonds for a public purpose under ORS 287A.150 (the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the "revenues" of the City, as defined in the Act. The Act defines "revenues" to include all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled (the "Revenues"). The City is also authorized to issue revenue bonds to refund revenue bonds pursuant to ORS 287A.360 to 287A.375.
2. The City may authorize revenue bonds under the Act by nonemergency ordinance. The City may not sell the revenue bonds under the Act until the period for referral of the nonemergency ordinance authorizing the revenue bonds has expired. If a nonemergency ordinance authorizing the revenue bonds is referred, the City may not sell the revenue bonds unless the voters approve the revenue bonds.
3. The City has determined that there is a need for up to \$1.4 million of revenue bond proceeds to finance costs of completing a portion of an engineering analysis of levees and drainage facilities along and in the vicinity of the Columbia River (the "Project").

NOW, THEREFORE, the Council directs:

- a. Revenue Bonds Authorized. The City hereby authorizes the issuance of revenue bonds pursuant to the Act in a principal amount of not more than \$1.4 million to fund the costs of the Project and to pay costs related to the Bonds. If these bonds are initially issued to provide interim financing for the Project, the City may also issue bonds to refund those interim financing bonds. The principal amount of the revenue bonds (the "Bonds") that are authorized by this ordinance and that are outstanding at any time shall not exceed \$1,400,000. The Bonds shall be secured by the full faith and credit and available general funds of the City. Proceeds of the Bonds may be spent only to pay costs of the Project and costs related to the Bonds.
- b. No Additional Taxes Authorized. No Bonds shall be general obligations of the City and neither the authorization nor the issuance of any Bonds shall authorize the City to levy any additional taxes.
- c. Procedure. No Bonds may be sold and no purchase agreement or loan agreement for any Bonds may be executed until the period of referral of this nonemergency ordinance has expired and this ordinance takes effect. If this ordinance is referred, the City may not sell the Bonds unless the voters approve this ordinance.

- d. Delegation. After this ordinance takes effect the Debt Manager of the City, the City Treasurer, the Chief Administrative Officer of the Office of Management and Finance, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this ordinance (any of whom is referred to in this ordinance as a “Debt Manager”) may, on behalf of the City and without further action by the Council:
1. Issue the Bonds in one or more series, which may be sold at different times.
 2. Issue one or more series of the Bonds to provide interim financing for the Project, enter into lines of credit or similar documents which permit the City to draw Bond proceeds over time, and issue Bonds to refund the Bonds that provide interim financing for the Project.
 3. Participate in the preparation of, authorize the distribution of, and deem final the preliminary and final official statements and any other disclosure documents for each series of the Bonds.
 4. Subject to the limits in this ordinance, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Bonds, and either publish a notice of sale, receive bids and award the sale of each series to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters or lenders and negotiate the sale of any series with those underwriters or lenders.
 5. Undertake to provide continuing disclosure for any series of the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
 6. Finalize the terms of, execute, and deliver bond declarations that describe the terms of each series of the Bonds. The bond declarations may also contain covenants for the benefit of the owners and any credit enhancement providers.
 7. Appoint and enter into agreements with service providers for the Bonds.
 8. Enter into covenants to maintain the excludability of interest on each series of the Bonds from gross income under the Internal Revenue Code of 1986, as amended.
 9. If permitted by federal law, issue Bonds as taxable bonds that are eligible for federal interest subsidies or tax credits.
 10. Execute any documents and take any other action in connection with the Bonds which the Debt Manager finds will be advantageous to the City.

Section 2. The Council declares that an emergency exists because a delay in authorizing the issuance of the Bonds would interfere with the timelines established for the Project; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council:

Mayor Charlie Hales

Prepared by: Jonas Biery JB

Date Prepared: May 14, 2014

LaVonne Griffin-Valade

Auditor of the City of Portland

By

Deputy

492

Agenda No.
ORDINANCE NO.
Title

See Substitute
Ord. No. 186598

* Authorize revenue bonds for Columbia River Levee Project engineering analysis (Ordinance)

<p>INTRODUCED BY Commissioner/Auditor: Mayor Hales</p> <p>COMMISSIONER APPROVAL <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Mayor—Finance and Administration - Hales</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Position 1/Utilities - Fritz</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Position 2/Works - Fish</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Position 3/Affairs - Saltzman</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Position 4/Safety - Novick</div> </p> <p>BUREAU APPROVAL Bureau: Office of Management & Finance Bureau Head: Fred Miller Prepared by: Jonas Biery Date Prepared: 5/14/2014 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter Council Meeting Date 5/28/2014 </p>	<p>CLERK USE: DATE FILED <u>MAY 23 2014</u></p> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: Deputy</p> <p>ACTION TAKEN:</p>
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AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> 1 of 2 Start time: 10:45 am Total amount of time needed: 30 min. (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Novick	4. Novick	
Hales	Hales	