


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 		2. Telephone No. X3-4222	3. Bureau/Office/Dept. OMF – Public Finance/Treasury
4a. To be filed (hearing date): August 14, 2014 (August 20, 2014)	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: August 14, 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 Interstate Corridor Urban Renewal and Redevelopment Refunding Bonds  
(Ordinance)

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

The Ordinance authorizes the issuance of Interstate Corridor Urban Renewal and Redevelopment Refunding Bonds (the “Refunding Bonds”) in an amount sufficient to advance refund any or all of the City’s Interstate Corridor Urban Renewal and Redevelopment Bonds, 2004 Series A (the “2004 Series A Bonds”). The 2004 Series A Bonds currently are outstanding in the amount of \$21,045,000. The purpose of the refunding is to achieve debt service savings.

**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.)*

This legislation is expected to reduce City expenses by lowering debt service costs of outstanding Interstate Corridor Urban Renewal and Redevelopment Bonds. Based on current market conditions, annual debt service savings achieved by refunding the 2004 Series A Bonds is estimated at approximately \$225,000 per year assuming savings is taken uniformly. Total net present value debt service savings is projected to be approximately \$1.9 million through FY 2024-25, which represents approximately 8.8% as a percentage of the proceeds of the Refunding 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 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.

This is an administrative action taken to authorize the issuance of the Refunding Bonds, the proceeds of which will be used to refund the 2004 Series A Bonds.

**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 future public involvement is anticipated or necessary. Once the Refunding Bonds are issued, the City will pay debt service on the Refunding Bonds which reflects savings.



FRED MILLER, INTERIM CHIEF ADMINISTRATIVE OFFICER



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

Charlie Hales, Mayor  
Fred Miller, Chief Administrative Officer

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DATE: August 5, 2014  
TO: Mayor Charlie Hales  
FROM: <sup>JB</sup> Jonas Biery, Debt Manager  
RE: \* Authorize Interstate Corridor Urban Renewal and Redevelopment Refunding Bonds (Ordinance)

**FOR MAYOR'S OFFICE USE ONLY**

Reviewed by Bureau Liaison \_\_\_\_\_

1. INTENDED THURSDAY FILING DATE: August 14, 2014  
2. REQUESTED COUNCIL AGENDA DATE: August 20, 2014  
3. CONTACT NAME & NUMBER: Jonas Biery, Debt Manager, x3-4222  
4. PLACE ON:    CONSENT ☒ REGULAR  
5. BUDGET IMPACT 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 August 20, 2014. The Ordinance authorizes the issuance of Interstate Corridor Urban Renewal and Redevelopment Refunding Bonds (the “Refunding Bonds”) in an amount sufficient to refund any or all of the City’s Interstate Corridor Urban Renewal and Redevelopment Bonds, 2004 Series A (the “2004 Series A Bonds”). The 2004 Series A Bonds currently are outstanding in the amount of \$21,045,000. The purpose of the refunding is to achieve debt service savings.

The Ordinance delegates to the Debt Manager certain tasks including preparing and executing bond declarations or supplemental bond declarations describing terms of the Refunding Bonds; establishing the final principal amounts, maturity schedules, interest rates, and other terms related to the sale of the bonds; and executing documents. If approved by the Council, the City plans to sell the Refunding Bonds through a negotiated sale in December.

**Legal Issues** – The City is authorized by the Oregon Revised Statutes to issue bonds to refund outstanding bonds.

**Link to Current City Policies** – The proposed refunding is being done in conformance with the City’s Debt Management Policy (FIN 2.12), which requires net present value savings of at least five percent of the refunding bonds for advance refundings.

**Controversial Issues** – None

**Citizen Participation** – Not Applicable

**Other Government Participation** – The City has consulted with representatives of the Portland Development Commission (“PDC”) about the refunding. The PDC Board is expected to approve a resolution requesting the City to issue the Refunding Bonds at its August 13, 2014, meeting. That resolution will be immediately effective after its approval date.

**8. FINANCIAL IMPACT**

Based on current market conditions, annual debt service savings achieved by refunding the 2004 Series A Bonds is estimated at approximately \$225,000 per year assuming savings is taken uniformly. Total net present value debt service savings is projected to be approximately \$1.9 million through FY 2024-25, which represents approximately 8.8% as a percentage of the proceeds of the Refunding Bonds.

**9. RECOMMENDATION/ACTION REQUESTED**

It is recommended that the City Council approve the Ordinance in order to provide cost savings for debt of the Interstate Corridor Urban Renewal Area.