

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 <sup>3B</sup>		2. Telephone No. X 3-4222	3. Bureau/Office/Dept. OMF/Financial Services
4a. To be filed (hearing date): November 6, 2014 (November 12, 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: November 6, 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 in an amount sufficient to provide up to \$3 million for Habitat Restoration Costs (Ordinance)

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

The attached Ordinance authorizes the City to issue revenue bonds (the "Bonds") in an amount sufficient to provide up to \$3,000,000 for costs associated with the resolution of natural resource damages liability in Portland Harbor, including the purchase of credits in habitat restoration projects, and associated administrative costs related to settlement with the Natural Resources Trustees (collectively, "Habitat Restoration Costs"), plus additional amounts sufficient to pay interest on any interim financing and the costs of issuing the bonds. The principal amount of long-term Bonds to be sold is estimated not to exceed \$3.4 million. If approved by the Council, the City plans to issue Bonds initially via an interim financing (line of credit).

**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 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 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.)*

Payment of the interim financing is currently not expected to accrue until fiscal year 2016-17. However, final terms of the line of credit are yet to be determined and could require interest payments of up to approximately \$100,000 annually beginning in fiscal year 2015-16. The final amount and maturity of the long-term Bonds expected to be issued to refinance the interim financing will not be known until the sale date of the long-term bonds but debt service could be approximately \$390,000 annually as early as fiscal year 2016-17. Any debt service is expected to be repaid from legally available revenues of the General Fund.

**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 issue Bonds, the proceeds of which will be used to fund Habitat Restoration Costs.

**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 the Bonds are issued, proceeds of the Bonds will be used to pay Habitat Restoration Costs and the City will pay debt service on the Bonds through maturity.



FRED MILLER  
CHIEF ADMINISTRATIVE OFFICER



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

Charlie Hales, Mayor  
Fred Miller, Chief Administrative Officer

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**DATE:** October 31, 2014

**TO:** Mayor Charlie Hales

**FROM:** Jonas Biery, Debt Manager

**FOR MAYOR'S OFFICE USE ONLY**

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

**RE:** Authorize revenue bonds in an amount sufficient to provide up to \$3 million for Habitat Restoration Costs (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** November 6, 2014  
 2. **REQUESTED COUNCIL AGENDA DATE:** November 12, 2014  
 3. **CONTACT NAME & NUMBER:** Jonas Biery, x 3-4222  
 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   X   N/A

**7. BACKGROUND/ANALYSIS**

**Introduction and History** – Resolution No. 36990, adopted by City Council on December 19, 2012 directed the Bureau of Environmental Services and the Office of Management and Finance to prepare recommendations for early action Natural Resource Damage Assessment projects and appropriate funding strategies.

The attached Ordinance authorizes the City to issue revenue bonds (the “Bonds”) in an amount sufficient to provide up to \$3,000,000 for costs associated with the resolution of natural resource damages liability in Portland Harbor, including the purchase of credits in habitat restoration projects, and associated administrative costs related to settlement with the Natural Resources Trustees (collectively, “Habitat Restoration Costs”), plus additional amounts sufficient to pay the costs of issuing the bonds. The principal amount of long-term Bonds to be sold is estimated not to exceed \$3.4 million.

The City is authorized by ORS Chapters 287A to obtain financing for the Habitat Restoration Costs. The Bonds (including any interim financing) 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 Ordinance delegates to the Debt Manager certain tasks including preparing and executing one or more Bond Declarations or financing agreements; 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 approved by the Council, the City plans to issue Bonds initially via an interim financing (line of credit) through a competitive bidding process in the first quarter of calendar year 2015.

**Legal Issues** – If the Ordinance is approved by the City Council after its second reading, a 30-day referral period begins. No bonds may be sold and no purchase agreement for any bonds may be executed until the referral period has expired and this Ordinance takes effect. If the Ordinance is referred, the City may not sell the bonds unless the voters approve this Ordinance.

**Link to Current City Policies** – The Bonds will be issued in conformance with the City's Debt Management Policy (FIN-2.12).

**Controversial Issues** – None

**8. FINANCIAL IMPACT**

Payment on the interim financing is currently not expected to accrue until fiscal year 2016-17. However, final terms of the line of credit are yet to be determined and could require interest payments of up to approximately \$100,000 annually beginning in fiscal year 2015-16. The final amount and maturity of the long-term Bonds will not be known until the sale date of the long-term Bonds but debt service on these Bonds could be approximately \$390,000 annually as early as fiscal year 2016-17. Any debt service is expected to be repaid by legally available revenues of the General Fund.

**9. RECOMMENDATION/ACTION REQUESTED**

It is recommended that the City Council approve the Ordinance in order to provide funding for the Habitat Restoration Costs.