

## IMPACT STATEMENT

**Legislation title:** Authorize \$90 million of interim financing for the costs of carrying out the urban renewal plan for the River District Urban Renewal Area and long-term bonds to repay the interim financing (Ordinance)  
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### **Purpose of proposed legislation and background information:**

The proposed legislation authorizes the issuance of up to \$90 million of revenue bonds (the “Interim Bonds”) under Oregon Revised Statutes 287A.150 to provide interim financing in support of carrying out the City’s River District urban renewal plan. The Ordinance also authorizes the issuance of long-term tax increment bonds (the “Long-term Bonds”) to refinance the Interim Bonds that are authorized by this Ordinance. At its October 14, 2015 meeting, the Board of the Portland Development Commission (“PDC”) approved a resolution requesting the City Council to issue the Interim Bonds.

The Interim Bonds will be issued to pay for new projects in the River District urban renewal area. The Interim Bonds authorized by this Ordinance will be secured by River District tax increment revenues and a portion also may be secured by the City's legally available funds in order to reduce costs and simplify borrowing plans. Interim Bonds are expected to be paid either from available tax increment revenues or from the proceeds of Long-term Bonds that will be secured solely by tax increment revenues. The City expects to solicit bids from potential line of credit providers through a competitive bidding process.

The Ordinance authorizes issuance of the Long-term Bonds to provide assurance that the City’s General Fund is protected against making payments on any Interim Bonds secured by the General Fund, and that the full faith and credit commitments authorized by this Ordinance can be reduced as soon as practical. The Long-term Bonds shall be secured only by the tax increment revenues of the urban renewal area for which the Interim Bonds are being repaid and may be issued in an amount sufficient to repay the Interim Bonds, to fund a debt service reserve, and to pay issuance costs.

The total authorized principal amount of the Interim Bonds is expected to be sufficient to meet River District urban renewal interim borrowing needs through FY 2020-21. Actual amounts may be lower if project expenditures do not materialize as planned or if tax increment revenue projections do not support the level of anticipated expenditures. Interim Bonds may not be used for project expenditures that are not included in PDC’s annually adopted budget.

### **Financial and budgetary impacts:**

The annual debt service payments on Interim Bonds will vary depending on interest rates and actual amounts drawn by the PDC each year. Typically, interest on Interim Bonds is paid from tax increment revenues until the Interim Bonds are refinanced with the Long-term Bonds. Debt service for Long-term Bonds will be determined once the bonds are issued. Debt service costs are expected to be paid from tax increment revenues of the River District urban renewal area.

**Community impacts and community involvement:**

This is an administrative action taken to authorize the issuance of Interim Bonds and Long-term Bonds in order to finance the costs of River District urban renewal capital improvements.

**Budgetary Impact Worksheet****Does this action change appropriations?**

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount