

IMPACT STATEMENT

Legislation title: * Authorize South Park Blocks urban renewal and redevelopment refunding bonds (Ordinance)

Contact name: Matt Gierach, Debt Manager

Contact phone: x3-6822

Presenter name: Matt Gierach

Purpose of proposed legislation and background information:

The Ordinance authorizes the issuance of South Park Blocks Urban Renewal and Redevelopment Refunding Bonds (the “Refunding Bonds”) in an amount sufficient to currently refund any or all of the City’s South Park Blocks Urban Renewal and Redevelopment and Refunding Bonds, 2008 Series B (the “2008 Series B Bonds”). The City plans to refund the June 15, 2020, through June 15, 2024, maturities of the 2008 Series B Bonds, which are outstanding in the amount of \$26.7 million. The purpose of the refunding is to achieve debt service savings.

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 \$100,000 for current refundings (as defined for federal tax law purposes). Per the requirements of Section 15-106 of the City Charter, Prosper Portland is expected to adopt a resolution requesting the City to issue the Refunding Bonds at its March 13, 2019, meeting.

If the Ordinance is approved by the Council, the City plans to solicit bids from commercial banks to purchase the Refunding Bonds. The Refunding Bonds are expected to be issued in the spring of 2019.

Financial and budgetary impacts:

Based on current credit market conditions, total net present value debt service savings is projected to be approximately \$2.0 million. The City expects to take savings in the final 2024 maturity of the Refunding Bonds, which may allow the City to return tax increment revenues to overlapping taxing jurisdictions and begin actions to close the urban renewal area sooner.

Community impacts and community involvement:

This is an administrative action taken to authorize the issuance of the Refunding Bonds, the proceeds of which will be used to refund the 2008 Series B Bonds. There is no community impact or involvement anticipated.

100% Renewable Goal:

Not applicable.

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