

## IMPACT STATEMENT

**Legislation title:** \* Authorize Lents Town Center 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 proposed legislation authorizes the issuance of Lents Town Center Urban Renewal and Redevelopment Refunding Bonds (the “Refunding Bonds”) in an amount sufficient to refund any or all of the City’s Lents Town Center Urban Renewal and Redevelopment Bonds, 2010 Series A and 2010 Series B (the “2010 Bonds”). The 2010 Bonds currently are outstanding in the amount of \$24,965,000. 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.

The City has consulted with representatives of the Prosper Portland about the refunding. The Prosper Portland Board is expected to approve a resolution requesting the City to issue the Refunding Bonds at its February 12, 2020, meeting. That resolution will be immediately effective after its approval date.

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 private placement in early spring of 2020.

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

Based on current market conditions, annual debt service savings are estimated at approximately \$365,000 per year assuming level annual savings. Net present value debt service savings would be approximately \$2.8 million if the Refunding Bonds are amortized through June 15, 2030, which is the maturity date of the 2010 Bonds.

The structure of the Refunding Bonds will take into account planned growth in tax increment revenues and will permit the City to redeem bonds early if tax increment revenues exceed amounts needed for scheduled debt service. As a result, the Refunding Bonds are likely to be fully redeemed before 2030. Tax increment revenues are expected to be returned to overlapping taxing jurisdictions once the Refunding Bonds are retired.

### **Community impacts and community involvement:**

This is an administrative action taken to authorize the issuance Refunding Bonds in order to achieve debt service savings. No direct community impact or involvement is anticipated.

**100% Renewable Goal:**

This is an administrative action taken to authorize the issuance of Refunding Bonds and has no impact on the City's goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

**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