

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Todd Lofgren		2. Telephone No. 823-5229	3. Bureau/Office/Dept. Parks
5a. To be filed (date) August 5, 2009	5b. Calendar (Check One) Regular Consent 4/5ths X Γ Γ	4. Date Submitted to FPD Budget Analyst 5. July 30, 2009	

1) Legislation Title:

Authorize acquisition of approximately 1.9 acres in Lents on SE Flavel Street for use as a maintenance facility by the Bureau of Parks and Recreation.

2) Purpose of the Proposed Legislation:

Acquire property for the purpose of relocating the South Portland maintenance facility from its current location on leased property in the City of Milwaukie to property in the City of Portland, owned by the City.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. No

4) 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 years) (If the action is related to a grant or contract please include the local contribution or match required).* Expenses are estimated as follows: \$1.4 million purchase price and \$400,000 renovation cost. Purchase to occur in accordance with a purchase contract, with the key terms and conditions being: (i) a purchase price of \$1.4 million, which has been confirmed by an independent appraisal procured by Parks; (ii) a down payment of \$400,000, which will come from the \$800,000 budgeted for tenant improvements at the Leased Property; (iii) remaining balance financed by the seller at a 7% interest rate, with the annual payment based on a 30-year amortization period; (iv) annual payments not commencing until March 1, 2011, about one month after the City's lease at the Lease Property is currently scheduled to terminate; and (v) the remaining balance to be paid in full within 10 years of the closing date, with no prepayment penalty if paid earlier. Under this scenario, the remaining \$400,000 encumbered for tenant improvements at the Lease Property will be used, instead, to renovate the City-owned Flavel Street Property.

Funding Sources:

- A. Encumbered tenant improvement funds for the current maintenance facility as to the down payment and necessary renovations.
- B. Budgeted lease payments for the current facility as to the annual purchase contract payments.
- C. Undetermined sources as to final payoff 10 years from the closing date. In concept, the payoff would be less than the present value of ongoing lease payments at the existing facility through January 31, 2031.

Staffing Requirements:

183091

5) 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.)*

0 positions will be affected.

6) Will positions be created or eliminated in future years as a result of this legislation?

No positions will be affected.

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 center codes and accounts that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)*

Fund	Center Code	Account	Amount	Project Fund	Project No.


APPROPRIATION UNIT HEAD (Typed name and signature)