

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

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

1. Name of Initiator Eric Johansen, Debt Manager		2. Telephone No. 503.823.6851	3. Bureau/Office/Dept. Financial Services/Public Finance and Treasury
4a. To be filed (date) June 17, 2010	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: June 9, 2010

1) Legislation Title:

Authorize revenue bonds for transportation projects (Ordinance)

2) Purpose of the Proposed Legislation:

The Ordinance authorizes the City to issue bonds in an amount not to exceed \$7,500,000 to provide financing for capital costs of transportation projects. The proceeds will be used to replace aging parking paystations to reduce operating and maintenance costs. The bonds will be retired no longer than five years from the date of issuance and will be secured by gas tax revenues and any other revenues which are available to the Bureau of Transportation to pay debt service.

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.

This Ordinance will not reduce current or future revenues coming to the City.

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)

The debt service on the borrowing will vary depending on the timing, amount of the draws and terms of the loan. PBOT has \$2.058 million budgeted for debt service on the proposed bonds in the FY 2010-11 Approved Budget.

The bonds will be secured and paid by gas tax revenues and any other revenues which are available to the Bureau of Transportation to pay debt service.

Staffing Requirements:

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.)

No positions will be eliminated or created as a result of this Ordinance.

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

No.

Complete the following section only if an amendment to the budget is proposed.

183954

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 Center Code column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Eric H. Johansen, Debt Manager 

APPROPRIATION UNIT HEAD (Typed name and signature)




CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Ken Rust, Chief Administrative Officer

Bureau of Financial Services
Richard F. Goward Jr., Director & CFO
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183954

DATE: June 8, 2010
TO: Mayor Sam Adams
FROM: Eric Johansen, Debt Manager 
RE: Authorize revenue bonds for transportation projects (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

- 1. INTENDED THURSDAY FILING DATE: June 17, 2010
- 2. REQUESTED COUNCIL AGENDA DATE: June 23, 2010
- 3. CONTACT NAME & NUMBER: Eric Johansen, Debt Manager, x3-6851
- 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 ✓ N/A

7. BACKGROUND/ANALYSIS

Introduction and History – Attached is an Ordinance for Council first reading and consideration on June 23, 2010. The Ordinance authorizes the City to issue bonds in an amount not to exceed \$7,500,000 to provide financing for capital costs of transportation projects. The proceeds will be used to replace aging parking paystations to reduce operating and maintenance costs. The bonds will be retired no longer than five years from the date of issuance and will be secured by gas tax revenues and any other revenues which are available to the Bureau of Transportation to pay debt service.

A passage of this Ordinance would delegate to the Debt Manager certain tasks including soliciting proposals from commercial banks; establishing a final fixed or variable amortization schedule not to exceed five years; accepting interest rates, and other terms related to the placement of the line of credit; and executing documents.

Legal Issues – The City is authorized by the Oregon Revised Statutes under ORS 287A.150 to issue bonds after the referral period expires and the Ordinance takes effect.

Link to Current City Policies – The proposed financing is being done in conformance with the City's debt policy.

Controversial Issues – None

Citizen Participation – Not Applicable

8. FINANCIAL IMPACT

The structure of the bonds will not be determined until the terms are finalized, but the final structure will allow for the borrowing to be amortized so that the principal will be fully repaid by the maturity date. Sufficient budget authority has been established in the Bureau of Transportation's Approved FY 2010-11 budget to pay estimated principal and interest due in FY 2010-11.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve the Ordinance so that the aging parking paystations can be replaced and operating and maintenance costs can be reduced.