



DATE: June 27, 2012
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 12-22
Extending Term of Request to City Council to Issue Short-Term Subordinate Urban
Renewal and Redevelopment Bonds

BOARD ACTION REQUESTED

Adopt Resolution No. 6957

ACTION DESCRIPTION

This action amends Resolution No. 6473, adopted by the Commission on June 13, 2007, to extend, through the end of Fiscal Year 2011-12, the Commission's request to City Council to issue short-term subordinate urban renewal and redevelopment bonds through the end of Fiscal Year 2011-12. All other provisions of Resolution No. 6473 will remain in effect.

BACKGROUND AND CONTEXT

Consistent with and in anticipation of the Commission's request under Resolution No. 6473, the City Council passed Ordinance No. 180963 on May 23, 2007, authorizing the issuance, for five years from the date of the Ordinance, of short-term subordinate urban renewal and redevelopment bonds (also known as "du jour" debt) to finance urban renewal projects. Under the terms of Ordinance No. 180963, the authority to issue such du jour debt ended on May 23, 2012, and under the terms of Resolution No. 6473, the Commission's request to issue such debt expired on June 13, 2012.

In order to receive the final distribution of du jour debt proceeds for Fiscal Year 2011-12 from the City of Portland, the Commission must extend, through June 30, 2012, its request to issue the du jour debt and the City Council must amend Ordinance No. 180963 to extend the authorization to issue such debt through the end of the fiscal year. The city normally issues du jour debt proceeds twice a year based on accumulated tax increment revenue. The amount of annual short-term debt that can be issued is governed by the ceiling established in the authorizing ordinance and the amount of tax collections in excess of the amount required to pay annual debt service for long-term indebtedness and reserves.

COMMUNITY AND PUBLIC BENEFIT

This action will ensure PDC will receive du jour resources as planned for FY 2011-12 which are required to help fund the projects and programs in the FY 2012-13 Adopted Budget and forecast.

PUBLIC PARTICIPATION AND FEEDBACK

Not applicable.

BUDGET AND FINANCIAL INFORMATION

Extending the term of the request through June 30, 2012, will allow PDC to receive du jour debt proceeds based on budgeted estimates, allowing projects and programs to continue as planned and reducing the need for issuing long-term debt.

RISK ASSESSMENT

Not applicable

ALTERNATIVE ACTIONS

Not extending the term of the ordinance will result in the City of Portland and PDC not being able to issue and receive the final du jour proceeds for FY 2011-12. This will result in excess tax increment revenue being accumulated by the City of Portland. Additional action by the Commission and Council would be required to access those resources and convert the revenue to du jour debt proceeds that PDC can use to implement budgeted project and programs.

ATTACHMENTS

None