



DATE: July 16, 2015
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 15-48

Authorizing an Amendment to the Intergovernmental Agreement with the City of Portland Office of Management and Finance in an Amount Not to Exceed \$828,409 for Debt Management Services

BOARD ACTION REQUESTED

Adopt Resolution No. 7136

ACTION DESCRIPTION

This action by the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize the PDC Executive Director to amend the Intergovernmental Agreement (IGA) between PDC and the Office of Management and Finance (OMF) to provide debt management services for fiscal year (FY) 2015-16.

BACKGROUND AND CONTEXT

OMF, as the bureau responsible for issuing and managing the debt for the City of Portland (City), has issued all debt issuance and management functions for PDC. Historically, these services were budgeted and paid to OMF by PDC as a result of the City's annual interagency agreement process. PDC and OMF decided to enter into a formal IGA in FY 2013-14 to document total services and payment method. The proposed amendment is to continue these services for FY 2015-16.

COMMUNITY AND PUBLIC BENEFIT

All tax increment debt is held by the City (not PDC), and therefore OMF is required to issue and manage the debt. Implementation of this IGA amendment will provide the mechanism by which PDC will receive all debt management services and make payment to OMF. These services are necessary to implement all tax increment-funded projects and programs in PDC's 17 urban renewal areas.

PUBLIC PARTICIPATION AND FEEDBACK

None.

BUDGET AND FINANCIAL INFORMATION

The proposed IGA amendment represents an additional amount of \$288,409, which consists of \$178,409 for service delivery by OMF and \$110,000 to cover debt issuance costs and costs for outside legal services necessarily incurred by OMF in providing debt management services. The IGA is budgeted by urban renewal area in the FY 2015-16 Adopted Budget based on an allocation of forecast tax increment

debt proceeds in each area. Some issuance and legal fees are budgeted to PDC's General Fund as administrative overhead for services that are general in nature and not specific to one urban renewal area.

RISK ASSESSMENT

There are no significant risks to adopting the proposed IGA amendment. The form of the amendment is based on a structure that has been utilized for a number of years on similar IGAs.

ALTERNATIVE ACTIONS

The PDC Board could elect not to authorize the proposed IGA amendment, which may result in PDC's inability to reimburse OMF for debt management services costs being incurred as a result of previous and planned debt issuances.

ATTACHMENTS

None.