



PROSPER
PORTLAND
Building an Equitable Economy

DATE: March 13, 2019
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 19-06
Requesting City Council to Issue Bonds to Refund Bonds Previously Issued for South Park Blocks Urban Renewal Area, and Providing for Related Matters

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7302

With this action, the Prosper Portland Board of Commissioners (Board) will request that the Portland City Council (City Council) issue refunding bonds for the South Park Blocks Urban Renewal Area (URA). Additionally, by adoption of the resolution, the Prosper Portland Board will authorize the Executive Director and the City of Portland (City), on behalf of Prosper Portland, to execute such agreements and take such additional actions as may be required to issue, sell and deliver the bonds on terms favorable to Prosper Portland and the City.

If the resolution is approved, it is anticipated that City Council will consider an ordinance on this matter at its March 20, 2019 meeting. If requested by the Prosper Portland Board and approved by City Council as currently scheduled, the City plans to issue the bonds in the spring of 2019.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

The issuance of the bonds will allow Prosper Portland to finalize the South Park Blocks Urban Renewal Plan, delivering on the agency's Strategic Plan goal of promoting effective management and governance.

BACKGROUND AND CONTEXT

The resolution for consideration requests City Council to authorize the issuance of urban renewal and redevelopment bonds for the South Park Blocks Urban Renewal Area to refund any, or all, of the outstanding urban renewal and redevelopment bonds, 2008 Series B (2008 Series B Bonds), to achieve debt service savings. Total outstanding amount to be refunded is \$26,700,000. Interest rates are currently favorable and debt service savings can be achieved by refunding the 2008 Series B Bonds in conformance a net present value savings of at least \$100,000.

EQUITY IMPACT

Refunding may provide additional tax increment debt proceeds to Prosper Portland, which can invest in Strategic Plan and equity objectives in the South Park Blocks URA.

COMMUNITY PARTICIPATION AND FEEDBACK

There was no public participation related to this proposed action.

BUDGET AND FINANCIAL INFORMATION

Based on current credit market conditions, total net present value debt service savings is projected to be approximately \$2,000,000. The City expects to take savings in the final 2024 maturity of the Refunding Bonds, which may allow the City to return tax increment revenues to overlapping taxing jurisdictions and begin actions to close the urban renewal area sooner.

As noted, refinancing may result in the release of some funds from the existing bond reserve, allowing for additional proceeds for future Prosper Portland investment. Should this occur, staff will need to acknowledge these resources and potential investments in the fiscal year (FY) 2018-19 Revised 2 Budget or as part of the FY 2019-20 Proposed Budget for the South Park Blocks URA.

RISK ASSESSMENT

There are no material risks associated with this action.

ATTACHMENTS

None