

Legislation Details (With Text)

File #: 17-330 **Version:** 1
Type: Resolution **Status:** Agenda Ready
In control: Urban Renewal Agency
On agenda: 6/26/2017 **Final action:** 6/26/2017
Title: Authorizing the Short-Term Borrowing for the Mill Creek Urban Renewal Area.
Ward(s): All Wards
Board Member(s): All Members
Neighborhood(s): All Neighborhoods

Sponsors:**Indexes:****Code sections:**

Attachments: 1. Resolution 17-6 URA Authorizing the Short-Term Borrowing for the Mill Creek URA

Date	Ver.	Action By	Action	Result
6/26/2017	1	Urban Renewal Agency	adopted	Pass

TO: Urban Renewal Agency Board
THROUGH: Steve Powers, Executive Director
FROM: Kacey Duncan, Deputy City Manager

SUBJECT:

Authorizing the Short-Term Borrowing for the Mill Creek Urban Renewal Area.

Ward(s): All Wards
Board Member(s): All Members
Neighborhood(s): All Neighborhoods

ISSUE:

Shall the Agency Board adopt Resolution No. 17-6 URA authorizing the issuance of a short-term bond in an amount not to exceed \$200,000 to pay for the costs of urban renewal projects in the Mill Creek Urban Renewal Area?

RECOMMENDATION:

Adopt Resolution No. 17-6 URA authorizing the issuance of a short-term bond in an amount not to exceed \$200,000 to pay for the costs of urban renewal projects in the Mill Creek Urban Renewal Area.

SUMMARY AND BACKGROUND:

The use of tax increment revenue is limited to debt repayment. The Urban Renewal Agency (Agency) utilizes both long-term and short-term (du jour) debt issuances to finance projects identified in an urban renewal area plan. Du jour loans are generally used to fund smaller capital projects, projects with a short completion schedule, and annual operating costs.

FACTS AND FINDINGS:

Oregon Revised Statutes (ORS) Chapter 457 authorizes an urban renewal agency to incur debt for the purpose of financing urban renewal projects, and to repay the debt and borrowing costs with tax increment revenue (urban renewal area property taxes). Short-term du jour borrowings have been a regular occurrence for many years, and have been facilitated through either intergovernmental borrowings between the City General Fund and the Agency, or through external financing. Short-term du jour borrowings are included in the Agency's budget each year depending on need and availability of tax increment revenue within each Urban Renewal Area.

For FY 2016-17, the City and Agency have chosen to pursue external financing to accomplish the Agency's short-term borrowing needs. Resolution No. 17-6 URA (Attachment 1) authorizes a short-term loan agreement for the Mill Creek URA. The City and Agency's Bond Counsel, Hawkins, Delafield & Wood LLP, has worked with US Bank National Association to prepare the proposed bond purchase agreement and related loan documents.

If approved by the Agency Board, funding and closing for the \$200,000 Mill Creek URA loan will occur on June 28, 2017, with payoff occurring the next day, June, 29, 2017, before the end of the fiscal year. The bond will bear interest at the US Bank Prime Rate minus two (2) percent, calculated on an actual/360 day basis.

David Lacy
Financial Operations Manager

Attachments:

1. Resolution No. 17-6 URA Authorizing the Mill Creek URA Short-Term Borrowing.