

# URA Modification Proposal

April 3, 2014



# Proposed Amendments

**Propose reducing or eliminating the following four districts:**

## **I. Airport Way**

- a. Reduce acreage equal to 40% AV
- b. 1,841.4 acres » aprx. 991.4 acres
- c. Last date to issue debt has passed; no impact to maximum indebtedness (MI)

## **II. River District**

- a. Reduce acreage up to 30% AV; release tax revenue to taxing jurisdictions
- b. 351.2 acres » aprx. 301.2 acres
- c. No impact to maximum indebtedness or last date to issue debt

## **III. Willamette Industrial**

- a. Close district and release all acreage. Use remaining assets to establish loan fund for manufacturing companies
- b. 755.5 acres » 0 acres
- c. Last date to issue debt to FY14/15 from FY24/25

## **IV. Education**

- a. Add 35 acres to N. Macadam to support PSU priorities and release other acreage.
- b. 144 acres » 0 acres
- c. Current MI: \$169M MI
- d. Last date to issue debt to FY14/15 from FY40/41

# Proposed Amendments

**Propose extending and expanding the following two districts:**

## **I. Central Eastside**

- a. Expand to include two of the MLR station areas and increase max indebtedness by 20%
- b. 692.3 acres » aprx. 822.3 acres
- c. \$105M MI » \$126M MI
- d. Extend last date to issue debt from FY17/18 to FY22/23

## **II. North Macadam**

- a. Expand to include aprx. 35 acres of Education district and extend life of North Macadam by 5 years to seize opportunities through DA w/ ZRZ and OHSU's \$500M challenge grant
- b. No change to maximum indebtedness
- c. Extend last date to issue debt from FY19/20 to FY24/25

# Proposed Amendments – Fiscal Impact

	Impact by URA					
Fiscal Year	RD	WIURA	CES	NMAC	ED	Total Fiscal Impact
2014-15	\$4.9	\$1.1	\$0.0	\$0.0	\$0.0	\$6.0
2016-2020	\$27.8	\$6.3	\$0.8	(\$2.1)	\$11.0	\$43.8
2021-2025	\$12.7	\$5.3	(\$23.5)	(\$6.1)	\$19.7	\$8.1
2026-2030	(\$0.0)	(\$1.8)	(\$6.2)	(\$80.4)	\$27.3	(\$61.1)
2031-2035	(\$0.0)	(\$1.8)	\$3.3	\$6.9	\$35.8	\$44.1
2036-2040	(\$0.0)	(\$1.9)	\$3.8	\$8.0	\$45.3	\$55.2
2041-2045	(\$0.0)	(\$1.9)	\$4.3	\$9.3	\$50.4	\$62.0
<b>TOTAL</b>	<b>\$45.4</b>	<b>\$5.2</b>	<b>(\$17.5)</b>	<b>(\$64.5)</b>	<b>\$189.5</b>	<b>\$158.1</b>
<b>Present Value</b>	<b>\$36.26</b>	<b>\$7.03</b>	<b>(\$13.83)</b>	<b>(\$37.82)</b>	<b>\$75.80</b>	<b>\$67.43</b>

	Impact to Each Jurisdiction					
Fiscal Year	City	County	PPS / State School Fund	PPS Gap Levy**	Library	Total Fiscal Impact
2014-15	\$1.80	\$1.70	\$1.87	\$0.16	\$0.46	\$6.00
2016-2020	\$13.22	\$12.55	\$13.79	\$0.84	\$3.41	\$43.81
2021-2025	\$2.41	\$2.29	\$2.52	\$0.21	\$0.62	\$8.05
2026-2030	(\$17.99)	(\$17.07)	(\$18.76)	(\$2.63)	(\$4.64)	(\$61.09)
2031-2035	\$13.50	\$12.81	\$14.08	\$0.23	\$3.48	\$44.11
2036-2040	\$16.90	\$16.04	\$17.63	\$0.26	\$4.36	\$55.18
2041-2045	\$19.00	\$18.03	\$19.82	\$0.30	\$4.90	\$62.05
<b>TOTAL</b>	<b>\$48.84</b>	<b>\$46.35</b>	<b>\$50.95</b>	<b>(\$0.63)</b>	<b>\$12.59</b>	<b>\$158.11</b>
<b>Present Value</b>	<b>\$20.77</b>	<b>\$19.71</b>	<b>\$21.66</b>	<b>(\$0.05)</b>	<b>\$5.35</b>	<b>\$67.43</b>

Estimated fiscal impact subject to change based on actual assessed value. Does not include loss due to Measure 5 compression.

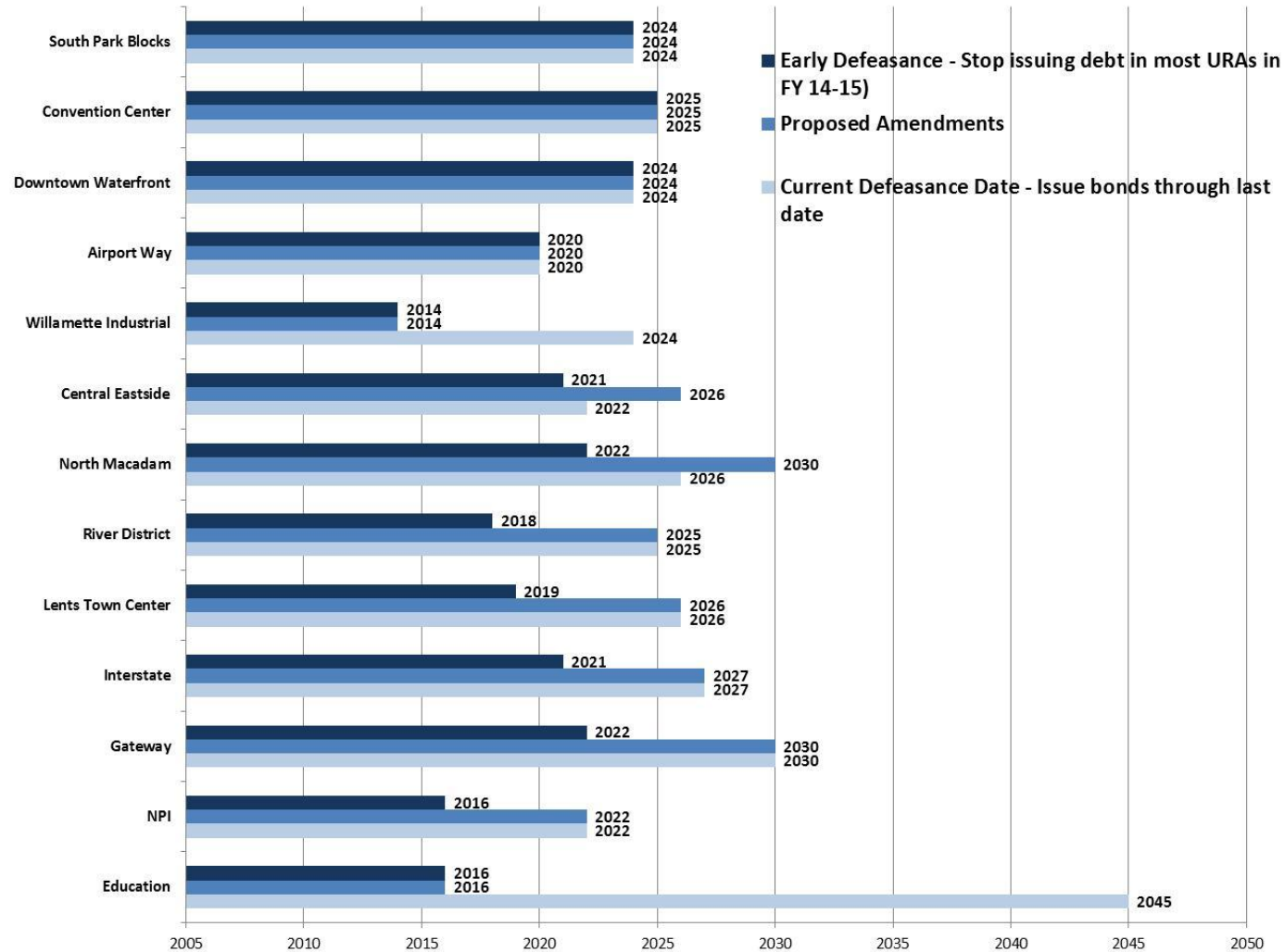
# Proposed Amendments – PHB Impact

Fiscal Year	Impact by URA								Total
	RD	WIURA	CES	NMAC	ED	SPB	IC	OCC	Impact
2014-15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.78	\$ (6.00)	\$ (5.22)
2016-2020	-	-	3.9	(1.8)	(6.1)	5.0	19.2	-	20.3
2021-2025	-	-	2.7	25.0	(9.0)	-	-	-	18.7
2026-2030	-	-	-	-	(8.4)	-	-	-	(8.4)
2031-2035	-	-	-	-	(10.0)	-	-	-	(10.0)
2036-2040	-	-	-	-	(10.2)	-	-	-	(10.2)
2041-2045	-	-	-	-	(2.3)	-	-	-	(2.3)
Total	\$ -	\$ -	\$ 6.6	\$ 23.3	\$ (46.0)	\$ 5.0	\$ 20.0	\$ (6.0)	\$ 2.9
Present Value	\$ -	\$ -	\$ 5.2	\$ 15.4	\$ (23.8)	\$ 4.8	\$ 17.8	\$ (6.0)	\$ 13.4

Estimated project funding subject to change based on actual assessed value and debt issuance assumptions.

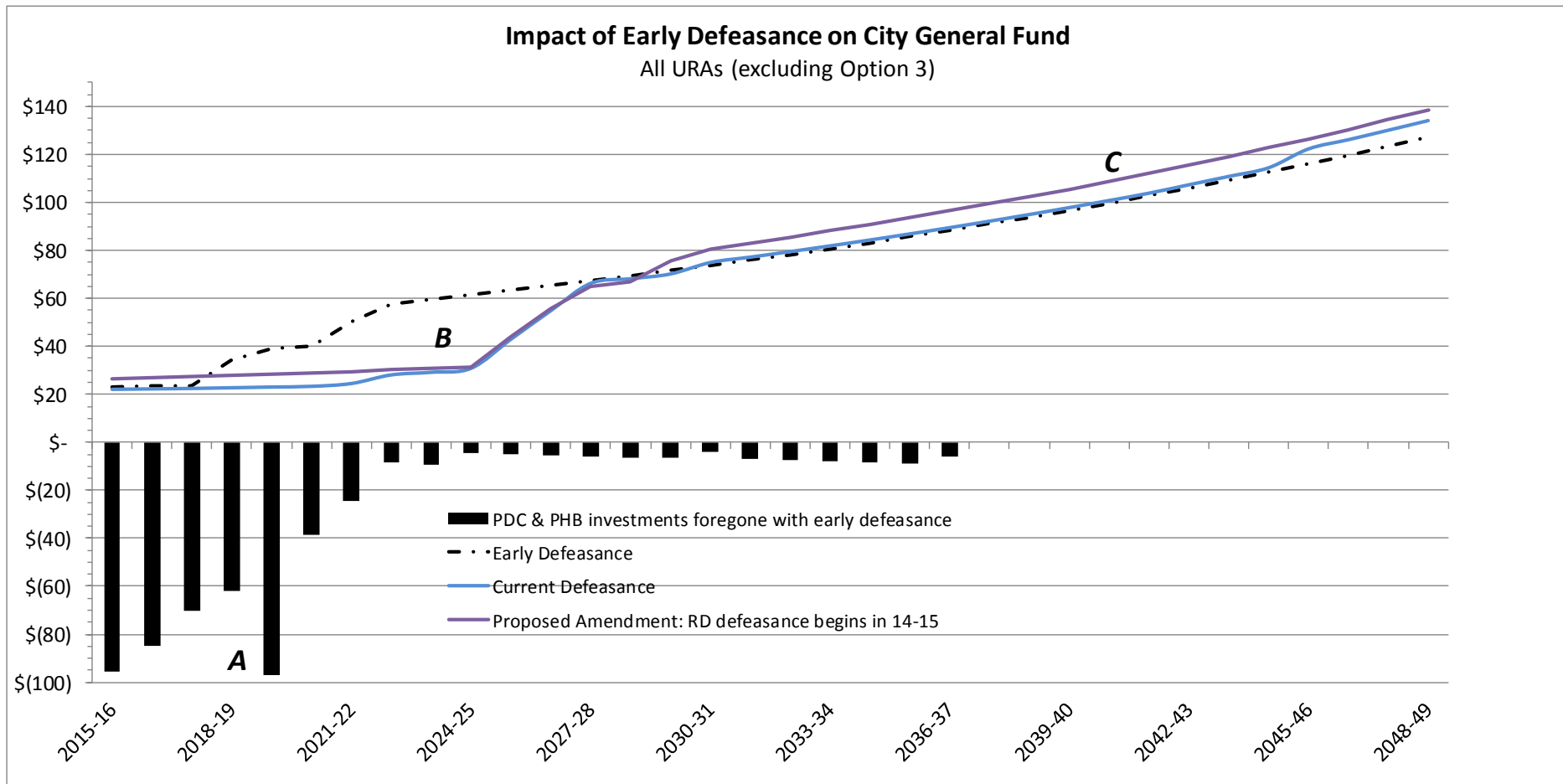
# Summary of Estimated Bond Repayment Dates

## Defeasance Date Options



# Impact of Early Bond Repayment to City General Fund

## All URAs (excluding Option 3)



**A:** Value of PDC & PHB investments foregone = \$574M (PV = \$493M\*)

**B:** Early repayment of bonds & forgoing new taxable AV from PDC investments increases City GF revenues by \$192M over 10 years beginning in FY18-19 (PV = \$151M\*)

**C:** Early repayment of bonds & forgoing new taxable AV from PDC investments decreases City GF revenues by \$36M for 20 years beginning in FY28-29 (PV = \$15M\*)

\* PV calculations assume 3% discount rate

Note: All forecasts assume 1/2 of tax increment revenue (net PHB & indirect; apply commercial CPR; 6:1 leverage) produces new taxable AV in 2 yrs

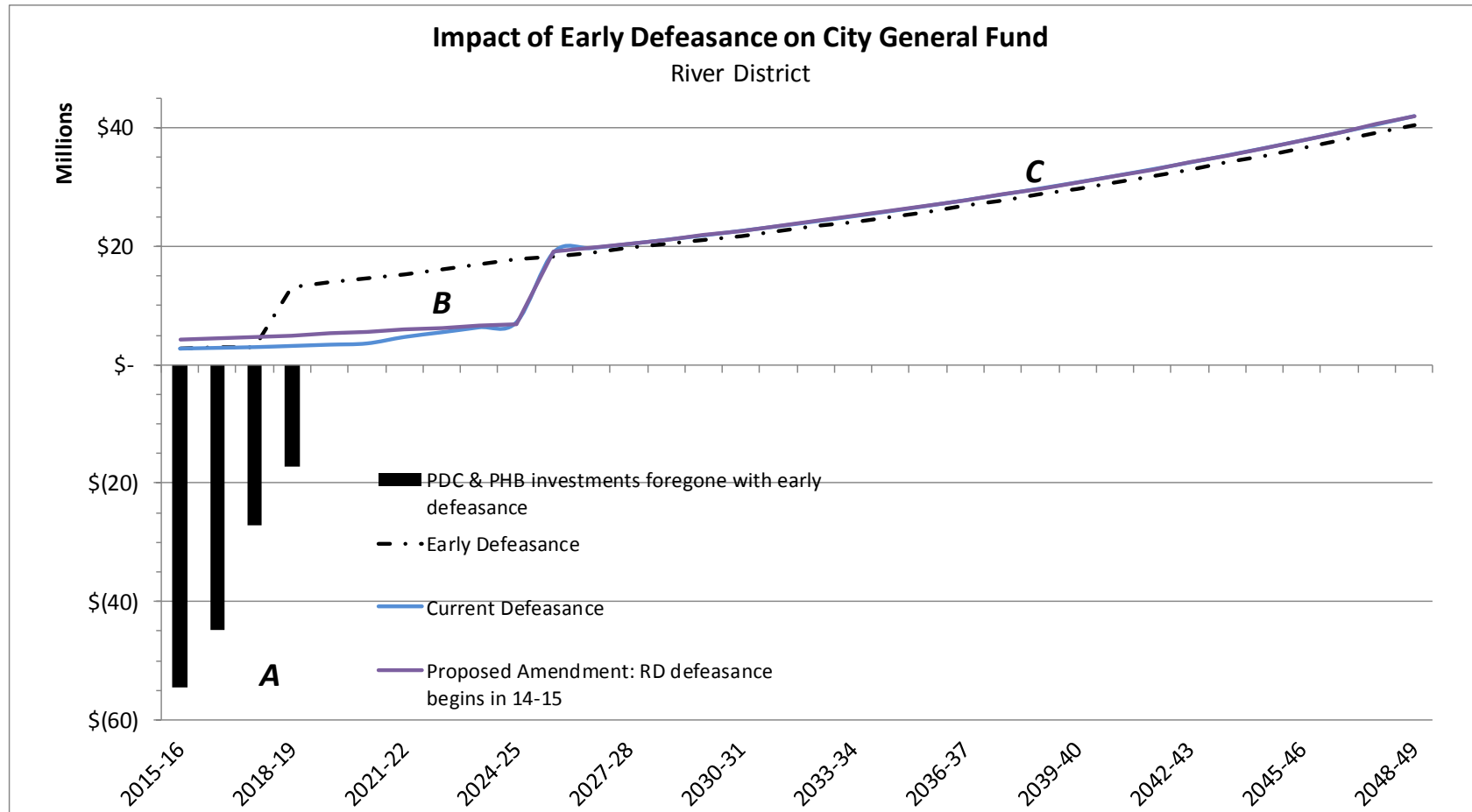
# Impact of Early Defeasance of River District

Reduced investment in projects & initiatives  
(assuming no new debt issued after FY 2014-15)

- Affordable Housing & Support for Housing Non-Profits: **\$25M**
- Old Town/Chinatown Action Plan (Kalberer Annex, Suey Sing & Casket buildings, Block 26)
- Centennial Mills (redevelopment or demolition)
- Post Office redevelopment
- Union Station redevelopment
- 10<sup>th</sup> & Yamhill (renovation of existing structure)



# Impact of Early Bond Repayment River District



**A:** Value of PDC & PHB investments foregone = \$179M (PV = \$171M\*)

**B:** Early repayment of bonds & forgoing new taxable AV from PDC investments increases City GF revenues by \$72M over 10 years beginning in FY18-19 (PV = \$59M\*)

**C:** Early repayment of bonds & forgoing new taxable AV from PDC investments decreases City GF revenues by \$21M for 20 years beginning in FY28-29 (PV = \$10M\*)

\* PV calculations assume 3% discount rate

Note: All forecasts assume 1/2 of tax increment revenue (net PHB & indirect; apply commercial CPR; 6:1 leverage) produces new taxable AV in 2 yrs