



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

### Board Clerk Use Only

Meeting Date:	<u>12/1/11</u>
Agenda Item #:	<u>R.6</u>
Est. Start Time:	<u>11:00 am</u>
Date Submitted:	<u>11/16/11</u>

**Agenda Title: RESOLUTION Authorizing Interim Borrowing for the Sellwood Bridge Replacement Project in an Amount Not to Exceed \$50,000,000.**

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.*

<b>Requested Meeting Date:</b>	<u>December 1, 2011</u>	<b>Amount of Time Needed:</b>	<u>15 Minutes</u>
<b>Department:</b>	<u>Dept of County Management</u>	<b>Division:</b>	<u>Finance &amp; Risk Mgmt.</u>
<b>Contact(s):</b>	<u>Mark Campbell</u>		
<b>Phone:</b>	<u>988-6229</u>	<b>Ext.:</b>	<u>I/O Address: 503/531</u>
<b>Presenter(s):</b>	<u>Mark Campbell</u>		

## General Information

### 1. What action are you requesting from the Board?

Request Board approval to obtain interim financing, in the form of a line-of-credit, for the Sellwood Bridge replacement project. The amount of the financing will not exceed \$50 million.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Construction of the Sellwood Bridge replacement project is scheduled to begin in December. The project is expected to incur approximately \$45 million in expenses between now and September, 2012. The proposed line-of-credit provides some flexibility in terms of project timing (funds will only be drawn as necessary) and development of a long-term debt strategy.

Staff is recommending that a line-of-credit be established for a period of one year. At current market rates we expect to pay approximately 1% interest on the amount that we actually draw down. This interim financing will also be used to repay the internal loan from the Risk Management Fund that was made in March, 2011.

It is anticipated that long-term debt will be issued in August or September of 2012. At that time we should know how much the County will be required to commit to the project and we will have developed multiple scenarios around structuring the debt to maximize use of the Vehicle Registration Fee (VRF).

**3. Explain the fiscal impact (current year and ongoing).**

Closing costs on the line-of-credit are estimated to be approximately \$125,000 and the interest cost will be approximately \$500,000 assuming the full \$50 million is used. This represents a significant savings from the amount of interest that would be paid on a similarly structured long-term debt issue.

**4. Explain any legal and/or policy issues involved.**

N/A. Documents have been reviewed by both external bond counsel and the County Attorney's Office. The County is authorized by state statute to enter into these types of financing arrangements.

**5. Explain any citizen and/or other government participation that has or will take place.**

N/A.

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**Required Signature**

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**Elected Official or  
Department/  
Agency Director:**



**Date:** 11/18/11

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**Mindy Harris**