

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 02-21

Authorizing the General Manager to take all actions necessary to enter into an Installment Contract with the City of Portland to pay for the Local Improvement District Assessment for the Steel Bridge Pedestrian Connection Project

The Metropolitan Exposition-Recreation Commission finds:

1. In Resolution 00-2898, the Metro Council authorized Metro's participation in a petition to the City of Portland to form a Local Improvement District to fund the construction of a pedestrian walkway across the Willamette River (Steel Bridge LID).
2. The LID provided that the City of Portland arrange financing and make it available to property owners who wish to finance their LID assessment.
3. The LID is complete and has been assessed.
4. MERC agreed to pay the portion of the LID assessment allocated to the Oregon Convention Center, and MERC's portion of the assessment, relative to the OCC property, is \$205,600.
5. It is the best interest of MERC to finance the Steel Bridge LID assessment.

BE IT THEREFORE RESOLVED that the Commission authorizes the General Manager to take all necessary actions to enter into an Installment Contract with the City of Portland to pay for the Steel Bridge LID assessment.

Passed by the Commission on July 24, 2002.



Chair



Secretary/Treasurer

Approved As to Form:

Daniel B. Cooper, General Counsel

By: 

MERC Staff Report

Agenda item/Issue: Authorize the General Manager to take all actions necessary to have an Installment Contract executed with the City of Portland to pay for Local Improvement District Assessment.

Resolution No: 02-21

Presented by: Bryant Enge

Date: July 24, 2002

Background and Analysis: The Metro Council authorized MERC's participation in a local improvement district (LID) petition to construct a walkway across the Willamette River. The improvement is now complete and has been assessed. The LID lien is placed on the Oregon Convention Center. MERC's assessment, relative to the OCC property, is \$205,600. The LID petition provided for the City to arrange financing for the LID assessment. MERC can elect to finance its portion of the improvement for up to 20 years. At any time MERC may pay the then outstanding balance at no additional premium.

Fiscal impact: The financing cost of the installment election, assuming MERC does not pay the installment contract prior to the end of the term, would be \$53,000 over 20 years, or roughly 2,650 annually.

The methodology assumes that the financing rate of 6.5% and a per transaction cost of \$2.50 charged by the City. The total financing cost would be \$137,000 over 20 years. The investment earnings generated on the unspent \$205,000 would offset a portion of this. Based on a conservative investment rate of 3%, the \$205,000 would generate \$84,000 in interest earnings.

MERC has sufficient funds budgeted for the annual LID expense.

Recommendations: Passage of Resolution 02-21 authorizing staff to enter into an Installment Contract with the City of Portland. This scenario preserves MERC maximum flexibility at a low cost. Preserving maximum flexibility is critical due to the uncertainty of future funding of the expanded OCC facility from VDI sources.