



City Council

AGENDA ITEM TYPE: Consent

Resolution No. 3658 – Authorizing a \$8,652,000 Interfund Loan from the Equipment Replacement Fund to the GRDC Rockwood Capital Improvement Fund

Meeting Date: June 17, 2025
Service Area: Budget and Finance

Staff Member: Elizabeth McCann
Agenda Item Number: C-11

Requested Council Action and Suggested Motion:

Move to approve Resolution No. 3658, a resolution authorizing a \$8,652,000 interfund loan from the Equipment Replacement Fund to the GRDC Rockwood Capital Improvement Fund.

Public Purpose, Community Outcome, and Strategic Plan Alignment:

State statute requires the use of debt to carry out projects within an urban renewal plan. Tax increment is then used to make the payments on that debt.

Approval of this Resolution would allow the City to loan funds on an overnight basis to the GRDC to provide funding for current and future projects. An agreement between the City and the GRDC provides an efficient and cost-effective way to secure funding to implement the goals of the Urban Renewal Area.

Background:

On April 18, 2023, the City and the GRDC approved an Intergovernmental agreement that provides for a credit facility allowing direct lending from the City of Gresham to the GRDC with repayment occurring the following day from the GRDC's tax increment financing revenues. By restricting the borrowing to overnight with repayment from cash on hand, there is no risk to the City. In turn, the direct and simple process allows the borrowing to occur at no cost to the GRDC. This arrangement is well suited to both parties as it provides for an efficient and cost-effective borrowing arrangement while supporting the anticipated cash flow requirements of the projects on the GRDC's future work plan. In addition to the framework provided by the Credit Facility IGA, certain procedural steps are needed on an annual basis to comply with the requirements of Oregon Budget Law. First, appropriations must be included in both the City and GRDC budgets to allow for the payment and repayment of the loan. Second, City Council must approve a resolution authorizing the loan that explicitly identifies the source of the borrowing as well as other details. This is the step addressed by this action. Resolution 3658 specifies that the loan will be paid from the City's Equipment Replacement Fund. This fund has adequate cash on hand to support the overnight borrowing without impacting any planned replacement activities. The resolution also authorizes up to \$8,652,000 of borrowing, which is consistent with the appropriation in the City and GRDC budgets for fiscal year 2025/26. Because the Credit Facility IGA limits the borrowing to Urban Renewal's available tax increment revenues, the interfund borrowing may occur via smaller draws during the fiscal year; however, the total will not exceed the amount authorized for the year.

Recommendation and Alternatives:**Recommendation:**

Staff recommends Council move to approve Resolution No. 3658, a resolution authorizing a \$8,652,000 interfund loan from the Equipment Replacement Fund to the GRDC Rockwood Capital Improvement Fund.

Alternative:

Council could choose to authorize a smaller amount. Delays to the GRDC's ability to carry out program and project implementation could result.

No Action:

Council may choose not to authorize the interfund loan, leaving the GRDC without arrangements to secure funding for projects. Additional costs and delays to the GRDC's ability to carry out program and project implementation would be expected.

Budget/Financial Impact:

Appropriations are included in the fiscal year 2025/26 budgets for the City and the GRDC. Given the terms specified in the IGA, there is no financial impact to the City.

Public Involvement:

The Credit Facility IGA was approved by the City and the GRDC at public meetings on April 18, 2023. The appropriations were included in the fiscal year 2025/26 budgets that were reviewed and approved by the City and GRDC's Budget Committees on April 29, 2025, and May 7, 2025, respectively.

Attachments:

- A. Resolution No. 3658
- B. Credit Facility Agreement

Reviewed Through:

Elizabeth McCann, Director of Budget & Finance
Ellen Van Riper, City Attorney
Christina Still, City Recorder