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Port refinancing bonds with an eye to future projects

(NEWPORT, OR) The Port of Newport is currently in the process of refinancing bonds originally issued for the construction of the NOAA facility in 2010 and the reconstruction of the International Terminal in 2011. The move will yield financial benefits for both the Port and Port District taxpayers, according to officials.

“We have been actively looking for measures that can bring money to the Port’s coffers with the intent of building our reserves for future projects,” said Paula Miranda, General Manager. “We want to create a pool of funds that can be used when opportunities are presented that require match.”

Like most ports, the Port of Newport pursues grants to assist with major infrastructure needs at its facilities, but those grants often require match money.

“As much as people think of grants as free, the truth is they come with obligations and they require Port investment, sometimes as much as 50 percent,” she noted.

At the Port’s regular meeting in August, the Port Commission voted to engage bond counsel to prepare the necessary documents. At the September regular meeting, Miranda was authorized to work with the bond counsel and the Special Districts Association of Oregon financial advisor to move the process forward, including reviewing proposals and selecting the bank or financial institution that can best lower the debt.

“We believe this will also lower what taxpayers pay for the general obligation bond that relates to the International Terminal,” Miranda said. The specific details won’t be known until an institution is selected.

While it is uncertain how much revenue the Port stands to gain from the refinancing, financial advisors have suggested to Miranda that “we are probably looking at somewhere around \$300,000 per year. That would be at least three million dollars over the lifetime of the NOAA bond,” she explained.

Closing on the refinancing is not expected to occur until sometime in November.

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