

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6582

**AUTHORIZE COOPERATIVE AGREEMENT BETWEEN
MULTNOMAH COUNTY AND THE PORTLAND
DEVELOPMENT COMMISSION REGARDING URBAN
RENEWAL**

WHEREAS, urban renewal is a unique and powerful financing tool that enables local governments to make targeted investments in a community's future through tax increment financing designed to remove blight and influences that contribute to blight;

WHEREAS, the projects completed in accordance with an urban renewal plan to remove blight and influences that contribute to blight are expected, ultimately, to accelerate the growth of the property tax base to the benefit of other taxing jurisdictions after termination of the urban renewal area;

WHEREAS, the urban renewal investments are also expected to increase economic activity triggering growth in income tax and business tax generation and thereby assisting other taxing jurisdictions during the life of the urban renewal area;

WHEREAS, the tax increment financing of urban renewal projects does impact Multnomah County's property tax revenue during the life of an urban renewal area;

WHEREAS, the Portland Development Commission desires to consult, collaborate and confer with the Multnomah County with respect to the investment of urban renewal funds with the goal of minimizing the impact of those decisions on Multnomah County's financial capacity to provide services to the community; and

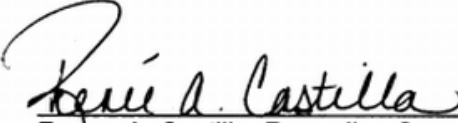
WHEREAS, the Portland Development Commission desires to include a Multnomah County representative in advisory groups formed to advise the Commission on certain decisions regarding the formation, expansion and change in urban renewal areas and to consider the impact to other taxing jurisdictions as one criterion relevant to those decisions.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the Executive Director to enter into a Cooperative Agreement with Multnomah County substantially in the form of Exhibit A attached hereto (the "Cooperative Agreement");

BE IT FURTHER RESOLVED that the Executive Director may approve changes to the Cooperative Agreement prior to and subsequent to execution, if such changes, in the opinion of the Executive Director and General Counsel, do not materially change the Commission's obligations or risks; and

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on May 14, 2008.



Renee A. Castilla
Renee A. Castilla, Recording Secretary

COOPERATIVE AGREEMENT

This is an Agreement between the Portland Development Commission (PDC) and Multnomah County, Oregon (County). This Agreement shall become effective upon the date of the last signature hereto and shall expire ten years from that date unless renewed by both governing bodies.

PURPOSE:

The purpose of this agreement is to establish a new cooperative relationship between the PDC and the County to broaden the benefit of Urban Renewal as a tool to improve Portland through the elimination of blight.

Recitals

1. Urban renewal is a unique and powerful financing tool that enables local governments to make targeted investments in a community's future through Tax Increment Financing (TIF) designed to remove blight and influences that contribute to blight.
2. In Portland, fifteen percent of the city land area can be captured for urban renewal. The cycle of designating an area for urban renewal, implementing community priorities and goals, repaying the bonds and then removing the urban renewal designation takes anywhere from 30 – 40 years.
3. The financial theory behind urban renewal is to bond against estimated increases in assessed values in specific areas of the city, and then reinvest those resources in order to accelerate the growth of the tax base. As projects get completed, the bonds are repaid and the land is eventually released from these urban renewal areas in order for taxing jurisdictions to benefit from this increased growth. Urban renewal investments are also expected to increase economic activity such as income tax and business tax generation thereby assisting jurisdictions over the life of the urban renewal plan.
4. In the City, about 26 cents of every dollar available to invest in URAs would otherwise be available to Multnomah County's general fund for the purpose of making investments in public safety and human services and other County services.
5. Currently, the County forgoes approximately \$18 million annually due to Urban Renewal Areas within the City. Despite the loss of revenue from neighborhoods within URAs, the County is still obligated to provide, and the community still needs County services, including human services and public safety.

6. Oregon Revised Statutes generally define blighted areas as those that, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community.
7. The American Heritage Dictionary (3rd Edition) defines blight as “Something that frustrates hope or impedes progress and prosperity.”
8. Blight is a product of multiple factors, some of which can best be addressed by increasing human service and public safety expenditures within a community. However, dollars raised through tax increment financing in Urban Renewal Areas (URA) can only be spent on capital needs (bricks and mortar).
9. Current state statutes require urban renewal agencies to “consult and confer with the taxing districts” prior to presenting a plan or a substantial amendment to a plan to the governing body of the municipality for approval. These plans, and related decisions to increase maximum indebtedness and extend the last date to issue debt of the district would postpone the return of taxes.
10. Because Urban Renewal investments can only be made within the boundaries of an Urban Renewal Area, portions of our community not within those boundaries must pay a disproportionate share of the cost of providing community services.
11. Approaching these decisions collaboratively will ensure services to our most vulnerable populations are considered while also protecting the ability for urban renewal to serve as an effective tool which benefits the broader community.
12. The participation of Multnomah County in the construction of the River District plan amendment demonstrated the benefits of this collaborative policy approach.
13. The parties desire to engage in a thoughtful, cooperative approach to improve the effectiveness of both TIF expenditures and County service delivery and to operate in the spirit of community partnership.

Now, therefore, PDC and the County hereby agree as follows:

- a. PDC will consult, collaborate and confer with the County on the investment of urban renewal funds with the goal of investing such funds in a manner that respects and values people who rely on the County's services and minimizes the impact on the County's financial capacity to provide services to the community.
- b. PDC agrees the County shall have the right to have a representative on all advisory and policy groups PDC may form to assist the City and PDC in decisions regarding the formation, expansion, change in plan end date or increase in the maximum indebtedness of all urban renewal areas. This includes a representative on urban renewal advisory committees which provide advice to PDC and the City whenever a plan is amended, or a new plan is created. The County will need to work with the PDC to make sure the representative selected does not have any legal impediments (e.g., a conflict of interest) to serving in that capacity.
- c. PDC agrees to consider the impact to other taxing jurisdictions as one of the criterion used to decide whether or not an urban renewal area is created or amended.

In witness whereof, the parties hereto have executed this Agreement as of the dates set forth below their signatures.

PORTLAND DEVELOPMENT COMMISSION

By: _____
Bruce A. Warner, Executive Director

Date: _____

MULTNOMAH COUNTY

By: _____
Name: _____
Title: _____
Date: _____

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6582

TITLE: AUTHORIZE COOPERATIVE AGREEMENT BETWEEN
MULTNOMAH COUNTY AND THE PORTLAND
DEVELOPMENT COMMISSION REGARDING URBAN
RENEWAL


Adopted by the Portland Development Commission on May 14, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Mark Rosenbaum, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sal Kadri	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: June 6, 2008