

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6603

**BOARD AUTHORIZATION FOR THE PORTLAND
DEVELOPMENT COMMISSION (PDC) TO ENTER INTO
AN INTERGOVERNMENTAL AGREEMENT WITH THE
MULTNOMAH COUNTY TAX ASSESSORS OFFICE FOR
THE PORTLAND ENTERPRISE ZONE (E-ZONE)
PROCEDURAL AND OPERATING GUIDELINES**

WHEREAS, the Oregon Enterprise Zone Act, ORS 285C.050 – 285C.250, authorizes the designation of Enterprise Zones in urban and non-urban areas and provides that property tax abatement, job creation, and local municipal incentives are desirable to stimulate economic development in economically depressed areas;

WHEREAS, the Portland Development Commission (“PDC”) on February 27, 2008, through Resolution 6562 authorized the Executive Director formally request City Council approval of the Enterprise Zone Policy and authorized the PDC to submit an application on behalf of the City of Portland to the Oregon Economic and Community Development Department (“OECDD”) for designation of a ten year Enterprise Zone in Portland;

WHEREAS, the City Council on March 5, 2008, through Resolution 36583 authorized the PDC to prepare and submit an E-Zone application on behalf of the City of Portland to the OECDD for designation of a ten year E-Zone program in Portland;

WHEREAS, the OECDD has informed PDC that the City will receive designation on or before July 1, 2008;

WHEREAS, the City of Portland is the Enterprise Zone Sponsor and has designated PDC to serve as the Enterprise Zone Manager;

WHEREAS, Portland City Council adopted the City of Portland Enterprise Zone Policy (Resolution No. 36583) (the “E-Zone Policy”), which provides for a tax exemption of five years’ duration and imposes additional conditions on companies participating in the E-Zone;

WHEREAS, the E-Zone Policy explicitly refers to the Multnomah County Tax Assessor’s Office as the processor of Construction-in-Progress claims and Enterprise Zone Exemption Claims, which was approved by Commission February 27, 2008, (Resolution No. 6562) in accordance with the Oregon Enterprise Zone Act;

WHEREAS, Multnomah County attends Preauthorization Consultations with Portland E-Zone staff for interested companies and reports annually on the exemption claims and CIPs processed in the Portland Enterprise Zone;

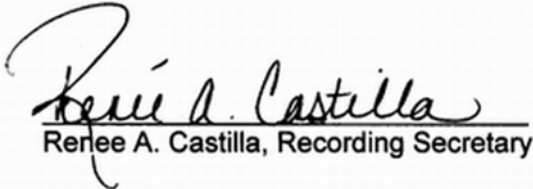
WHEREAS, the procedural and operating guidelines for the both parties (the PDC and Multnomah County) has been defined in the Portland E-Zone Policy and requires a contract; and

WHEREAS, Multnomah County will receive up to 40 percent of all application fees associated with the Portland E-Zone; to assist in off setting costs associated with implementing and monitoring the E-Zone program.

NOW, THEREFORE, BE IT RESOLVED, that the PDC executive Director is hereby authorized to enter into an intergovernmental agreement with Multnomah County, substantially in the form attached hereto as Exhibit A; and

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

Adopted by the Portland Development Commission on June 25, 2008.



Rerlee A. Castilla, Recording Secretary

**Intergovernmental Agreement Between
Multnomah County, Oregon and the Portland Development Commission
Regarding the Portland Enterprise Zone's Operating Procedures**

This Intergovernmental Agreement (the "**Agreement**") is entered into by and between the City of Portland, acting by and through the Portland Development Commission ("**PDC**") and Multnomah County, Oregon ("**County**"). This Agreement shall become effective upon the date of last signature hereto and shall expire June 30, 2009 unless renewed or extended by both governing bodies.

Purpose

This agreement further clarifies the roles and responsibilities of the parties relative to Portland Enterprise Zone program and provides for Multnomah County to receive a percentage of the Application Fee paid to PDC to offset the County's costs associated with its responsibilities under this program.

Recitals

- A. The City of Portland (the "City") applied for and received designation of the Portland Enterprise Zone (the "E-Zone") on _____, 2008 by the Director of the Oregon Economic and Community Development Department.
- B. The City through Resolution 36583 adopted the Portland Enterprise Zone Policy (the "E-Zone Policy").
- C. The City, as the E-Zone Sponsor, designated the PDC to serve as the Portland Enterprise Zone Manager.
- D. PDC collects an Application Fee for each company applying for tax abatement under the E-Zone program.
- E. Multnomah County Tax Assessor's Office will perform a yearly appraisal of the affected property, apply the abatement to the affected property, generate an annual report to PDC and the State on each approved applicant for the Enterprise Zone, attend Pre-Authorization Consultations, provide participating companies with an annual Enterprise Zone Exemption Claim form, and produce an annual report of exemption claims and construction in progress applications received for the current year.
- F. PDC agrees to provide Multnomah County with a percentage of the Application Fee in consideration of the cost to County associated with the work required of the Tax Assessor's Office for the E-Zone Program.

Agreement

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

- 1) Distribution of Application Fees** PDC will pay to the County's Tax Assessor's Office forty percent (40%) of the total sum of the E-Zone Preauthorization Application Fees collected each fiscal year. PDC will send a check to the County with in 60 days after the end of each Fiscal Year, which will include only the sum of fees paid by companies whose authorization in the program has been confirmed with an Authorization Approval issued prior to June 30 of the year for which payment is made.

- 2) Pre-Authorization Consultations** A Pre-Authorization Consultation shall occur between PDC and each company that submits an E-Zone Authorization Application. PDC will notify the County Assessors Office of each Pre-Authorization Consultation and to the greatest extent possible work with the Assessors Office to accommodate their availability when scheduling meetings with prospective E-Zone applicants.

If the PDC approves a new Portland E-Zone applicant, the PDC staff will send an Authorization Approval to the appropriate agencies listed on the form. The County will be among agencies to receive the Authorization Approval, at which point the County Assessor will either approve or deny the company of its entry into the E-Zone program. If the County denies the company's E-Zone Preauthorization Application, the County will send an explanation to the Portland E-Zone Manager.

- 3) Notice and Reports provided by County** By June 01 of each year, the County's Assessor's Office shall notify PDC of all authorized Portland Enterprise Zone companies who have filed Exemption Claims or C-I-Ps since January 01 of that year with a list of the companies' names and which form they filed. Additionally, by June 01 of each tax year, the County Assessor's Office shall deliver to PDC the County's Enterprise Zone Report for the current certified tax year. The County's annual Enterprise Zone Report will identify each company by name, total exempt value and taxes, and actual employment.

- 4)** The Enterprise Zone Report will also indicate whether a company was denied an exemption or if there is any other outstanding issue preventing a participating E-Zone Company from seeking exemption.

- 5) Technical Advisory Committee Meetings** PDC will establish a Technical Advisory Committee as required in the E-Zone Policy to; facilitate operational aspects of the E-Zone program based on the E-Zone Policy and State law. At a minimum, TAC meetings will be held on a quarterly basis. PDC will include the County's Economic Development Representative as determined by the County Chair, as a TAC member. The TAC will notify the County Tax Assessor's staff of any TAC meeting including the meeting agenda. County Tax Assessor's Office will determine whether to attend each meeting based upon the agenda.

- 6) Annual Process and Compliance** PDC will perform an annual compliance review for each company participating in the E-Zone program. As part of the PDC's annual compliance, PDC will notify the County Assessor of any authorized companies that are in non-compliance and are no longer eligible for abatements or owe penalties per the Act or E-Zone Policy. A participating company's non-performance may be detected at any time and thus PDC may inform the County Assessor of a Company's non-performance at any time during the year. The County Assessor's Office, representatives from the WorkSource Oregon Employment Department Portland, and WorkSystems Inc will be invited to participate in all annual compliance meetings.

If at any time during the year, the County Assessor's office determines a company to be in non-compliance as provided under the Act the Assessor's shall notify PDC of this discovery and any actions taken to remedy such non-compliance.

- 7) Notable Dates** The Multnomah County Assessor's Office and the Portland Development Commission recognize the complexity of the Enterprise Zone Program as well as the increasing numbers of participating companies. Both parties acknowledge this and will make every effort to meet the dates and timelines in this document, however; if it appears a date

will be missed the parties agree to notify one another in a timely manner and hold each other harmless.

January 1st – The Multnomah County Assessor’s Office will provide each authorized Portland E-Zone-participating company with the Oregon Enterprise Zone Exemption Claim

March 15th – PDC will remind companies to file for exemption or CIP by April 1st

April 1st – Company files their Enterprise Zone Exemption Claim and Construction-in-Progress forms with the County Tax Assessor’s Office

June 1st – County informs PDC which Companies have filed for exemption or CIP for current year

June 1st – County will submit the annual E-Zone Report for the certified tax year

June 1st – September 1st – PDC performs Annual Compliance on each company receiving abatement

September 1st – PDC informs the County if there is any company who did not meet compliance and whose abatement should be withheld

8) Amendments/Modifications This Agreement may be amended or modified only by a writing signed by PDC and the County.

MULTNOMAH COUNTY

By: _____
Ted Wheeler
Multnomah County Chair

Date: _____

PORTLAND DEVELOPMENT COMMISSION

By: _____
Bruce A. Warner, Executive Director

Date: _____

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6603

TITLE: BOARD AUTHORIZATION FOR THE PORTLAND DEVELOPMENT COMMISSION (PDC) TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MULTNOMAH COUNTY TAX ASSESSORS OFFICE FOR THE PORTLAND ENTERPRISE ZONE (E-ZONE) PROCEDURAL AND OPERATING GUIDELINES

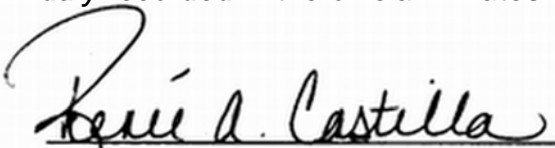
Adopted by the Portland Development Commission on June 25, 2008.

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 checked="" type="checkbox"/> Consent Agenda		<input 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 26, 2008