

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 08-056

Approving a Cooperative Agreement with the Portland Development Commission Establishing a Collaborative Approach to Urban Renewal Decisions in the Spirit of Community Partnership

The Multnomah County Board of Commissioners Finds:

- a. County Commissioners and staff have worked with the Portland Development Commission (PDC) over the last year to improve communication and collaboration on issues that impact the County.
- b. Negotiations between the County and PDC have produced a Cooperative Agreement that outlines a path to continue to improve the communication and relationship between the County and PDC.
- c. The Cooperative Agreement states:
 - 1) 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.
 - 2) 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 or increase in maximum indebtedness of all urban renewal areas.
 - 3) 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.
- d. While the County does not have a vote in urban renewal matters, the Board finds that PDC's recent steps to engage the County are vital to an urban renewal process that considers the views of all community partners.

The Multnomah County Board of Commissioners Resolves:

1. The attached Cooperative Agreement with the Portland Development Commission is approved and the County Chair is directed to sign the agreement.

ADOPTED this 1st day of May, 2008.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney

SUBMITTED BY:
Commissioner Jeff Cogen, District 2

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 in 2018, unless otherwise terminated or 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

- a. 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.
- b. 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.
- c. 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.
- d. In the City, about 26 cents of every dollar available to invest in Urban Renewal Areas 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.
- e. Currently, the County forgoes approximately \$18 million annually due to Urban Renewal Areas (URAs) 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.

- f. 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.
- g. The American Heritage Dictionary (3rd Edition) defines blight as “Something that frustrates hope or impedes progress and prosperity.”
- h. 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 can only be spent on capital needs (bricks and mortar).
- i. 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.
- j. 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.
- k. 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.
- l. The participation of Multnomah County in the construction of the River District plan amendment demonstrated the benefits of this collaborative policy approach.
- m. 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:

1. 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.
2. 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.
3. 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: _____
Ted Wheeler, Chair

Date: _____