

MEMORANDUM OF UNDERSTANDING

Intent: The intent of this Memorandum of Understanding (MOU) is to recognize the parties' commitment relating to the development and passage of House Bill 3056, as amended by the parties, and their commitment to future cooperation and communication on issues related to urban renewal districts and tax increment financing. A copy of House Bill 3056 is attached.

By design, this is not a binding legal contract, as elected governing boards cannot bind future boards on matters relating to policy. This is a political statement containing the parties' expression of intent to proceed in good faith substantially in the manner outlined in this MOU. The parties' support and recognize the value of urban renewal districts, but also recognize the need to return property value to the tax rolls in order to provide funding for the services provided by taxing districts. The parties desire to seek cooperation and communication on issues, to limit and seek cooperative positions on new legislation, and, when appropriate, to seek jointly sponsored legislation.

Parties: The parties are listed below. The individual signatories to this MOU will use their best efforts to seek approval from their governing bodies to support the political and collaborative efforts memorialized by this MOU. The individual signatories will confirm their governing boards' action to all other parties in writing.

- Special Districts Association of Oregon (SDAO)
- Clackamas Fire District #1
- Tualatin Valley Fire and Rescue (TVF&R)
- Oregon Fire Chiefs Association
- Oregon School Boards Association
- Oregon Fire District Directors Association
- Multnomah County
- Association of Oregon Redevelopment Agencies (AORA)
- Association of Oregon Counties (AOC)
- League of Oregon Cities (LOC)
- City of Portland
- Portland Development Commission (PDC)
- Clackamas County

The parties acknowledge that they cannot control the actions of individuals or organizations other than their own ("Third Parties").

Term of the MOU: The Term will commence on the latest date of the signature of a party, but no later than April 14, 2009 (Effective Date) until January 1, 2017. The parties may extend the Term by agreement of all the parties. If the attached HB 3056 is not passed during the 2009 legislative term, or is passed with modifications that are not acceptable to a party, this MOU shall be null and void, *ab initio*, as to that party.

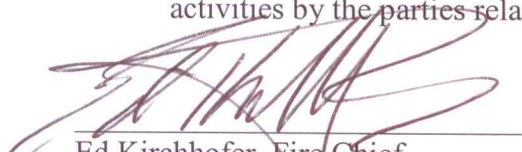
Basis for this MOU: The parties' mutual support for the "Cooperative Bill" that is the result of the negotiations (HB 3056, as attached), and the parties' mutual expressions of intent and cooperation in this MOU.

Parties' Good Faith Obligations:

1. The parties will actively support the Cooperative Bill and oppose all other urban renewal related legislation in the 2009 session, except HB 2809 (The Dalles Bill) and excepting the City of Portland, which cannot oppose urban renewal bills related to the David Douglas school district.
2. With the understanding that the parties will work in good faith to fulfill the spirit and letter of the Cooperative Bill, the parties will not initiate new urban renewal legislation during the Term.
3. The parties agree to indicate their opposition to any urban renewal legislation proposed by a Third Party during the Term.
4. Notwithstanding # 1, 2 and 3 above, if general property tax reform is proposed during the Term, or statutory, administrative or constitutional actions are proposed or adopted that affect the operation of urban renewal districts contrary to the expectations under the Cooperative Bill, given the intrinsic impact of such reform on the urban renewal system, the parties may propose or support legislation during the Term to preserve the effectiveness of urban renewal.
5. Notwithstanding # 1, 2 and 3 above, a party may propose legislation during the Term provided the party shall first present the legislation to the Oversight Group (defined below) for review and consideration. After Oversight Group consideration, a party may seek the support of the parties to propose the legislation during the Term, but shall propose legislation only with the support of all parties.
6. Each party will educate its members about the appropriate use of tax increment revenues, and the impact of tax increment financing on overlapping taxing districts, the mutual benefits of the Cooperative Bill, and will instruct its members in implementation of the Bill, acting both in the spirit and according to the letter of the bill.

Oversight Group. The taxing district members and the urban renewal members support the establishment of a joint Oversight Group to provide education to members, monitor the implementation of the Cooperative Bill, solicit potential input about current and proposed urban renewal legislation, and to provide advice and recommendations at the request of groups involved in or affected by urban renewal in Oregon.

1. The taxing district members and the urban renewal members will each select one representative to work together to establish an Oversight Group with joint representation of the taxing district members and the urban renewal members. The selected representatives will meet no later than January 2010 to establish the Oversight Group by designating which members will initially participate in the Oversight Group. The representatives will be responsible for determining the frequency and format of the Oversight Group meetings, with input from the Oversight Group members after their selection.
2. Members: The Oversight Group will consist of no more than six members from both the taxing district members and urban renewal members, and will be selected or appointed by their respective organization.
3. Authority: The Oversight Group will have no authority to direct any action by any party or organization. The Oversight Group will review and discuss urban renewal issues raised by any Oversight Group member in an effort to communicate and resolve differences. Specifically, the Oversight Group will review education and implementation activities by the parties relating to the Cooperative Bill.



Ed Kirchhofer, Fire Chief
Clackamas Fire District #1

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SPECIAL DISTRICTS ASSOCIATION OF
OREGON



MULTNOMAH COUNTY



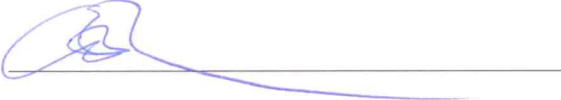
CLACKAMAS FIRE DISTRICT #1



ASSOCIATION OF OREGON
REDEVELOPMENT AGENCIES



TUALATIN VALLEY FIRE & RESCUE



ASSOCIATION OF OREGON COUNTIES



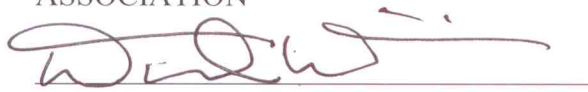
OREGON FIRE CHIEFS ASSOCIATION



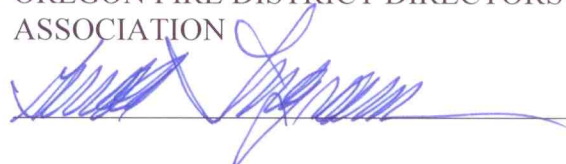
LEAGUE OF OREGON CITIES



OREGON SCHOOL BOARDS
ASSOCIATION



OREGON FIRE DISTRICT DIRECTORS
ASSOCIATION



CLACKAMAS COUNTY



CITY OF PORTLAND



PORTLAND DEVELOPMENT
COMMISSION

