



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 12/5/13
Agenda Item #: R.3
Est. Start Time: 9:45 am
Date Submitted: 11/26/13

Agenda Title: Public Hearing and First Reading of ORDINANCE Amending Multnomah County Code Chapter 11, Revenue and Taxation

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: December 5, 2013 **Time Needed:** 15 Minutes

Department: County Management **Division:** Finance & Risk Management

Contact(s): Mark Campbell

Phone: (503) 988-6229 **Ext.** X86229 **I/O Address:** 503/531

Presenter

Name(s) &

Title(s): Mark Campbell, CFO and Jacquie Weber, Deputy County Attorney

General Information

1. What action are you requesting from the Board?

Approval of the ordinance on first reading, with a second reading, and possible adoption, to be scheduled for December 12, 2013.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Multnomah County Code, Chapter 11 authorizes the collection of a Transient Lodging Tax (TLT). Proceeds from the tax are allocated to various purposes. 2.5% of the 11.5% County TLT is dedicated to a Visitor Facilities Trust Account (VFTA). This VFTA was created through an intergovernmental agreement between the County, the City of Portland, and Metro.

The original agreement was entered into in FY 2001 with the purpose of supporting regional visitor facilities and visitor industry development in Portland and Multnomah County. Since the agreement was approved a number of changes have occurred, or are proposed to occur, to business operations and debt obligations. Chief among the proposed changes is the use of the VFTA to support the publicly financed portion of a hotel that will be adjacent to, and primarily designed to serve, the Oregon Convention Center.

Staff from the County, the City of Portland, and Metro met over the course of several months in the spring and summer of 2013 to negotiate changes to the agreement. The amended and revised agreement was ratified by all three jurisdictions in September, 2013. Significant changes from the original agreement are listed below:

Multnomah County will receive an allocation from the VFTA.

The City of Portland will receive an allocation from the VFTA.

An allocation formerly paid to Tri-Met for the extension of "Fareless Square" will be redirected to a "Convention Visitor Public Transit Pass" program.

New language in the agreement clarifies the City of Portland's ability to refinance bonds issued for renovations at Civic Stadium (now known as Jeld-Wen Field) and directs how savings from a refinancing are to be allocated.

Metro intends to issue, upon execution of a development agreement, up to \$60 million of revenue bonds in support of the Oregon Convention Center hotel project. These bonds are the major source of public funding for the project. Debt service payments will be supported by TLT revenues generated by the hotel.

The amended agreement also ensures financial stability of the VFTA through the creation of two dedicated reserves and the creation of a Financial Review Team.

The ordinance amends Multnomah County Code, Chapter 11 to include the provisions outlined above. It also strikes some unnecessary language and makes some minor housekeeping changes to bring the County code into closer conformity with the City of Portland code.

3. Explain the fiscal impact (current year and ongoing).

Multnomah County will receive \$250,000 in FY 2014 to fund operations and capital improvements that support the purposes of the agreement. In FY 2015, this amount escalates to \$500,000 and subsequent escalations occur until the allocation equals \$1 million per year.

4. Explain any legal and/or policy issues involved.

N/A

5. Explain any citizen and/or other government participation that has or will take place.

Staff from the County, City of Portland, and Metro met on a regular basis for several months to negotiate the amended intergovernmental agreement. All three government agencies held public hearings where testimony was taken. Numerous open houses, and other outreach events, were coordinated by Metro.

Required Signature

**Elected
Official or
Department
Director:**

Jenny Madkour /s/

Date:

11/26/13

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.