



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 8/18/11)

Board Clerk Use Only

Meeting Date: 4/26/11
 Agenda Item #: R.4
 Est. Start Time: 9:50 am
 Date Submitted: 4/17/12

Agenda Title: **RESOLUTION Authorizing the County Chair to Execute the Intergovernmental Agreement with the City of Portland, the Portland Development Commission and Portland State University to Create the Joint Human Services and Community Health Initiative with PSU and Receive Funds from the Proposed Education Urban Renewal Area to Develop a New County Facility.**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: April 26, 2012 **Time Needed:** (20 Minutes)
Department: Non-Departmental—Chair’s Office **Division:** Chair Jeff Cogen
Contact(s): John Tydlaska
Phone: 503.988.6277 **Ext.** _____ **I/O Address:** 503/600
Presenter Name(s) & Title(s): John Tydlaska (Economic Development Director, Multnomah County), Wim Wiewel (President, Portland State University), Keith Witcosky (Deputy Director, Portland Development Commission)

General Information

1. What action are you requesting from the Board?

Authorize the County Chair to execute the Intergovernmental Agreement (“IGA”) with the City of Portland (“City”), the Portland Development Commission (“PDC”) and Portland State University (“PSU”) to Receive Funds from the Proposed Education Urban Renewal Area (“EDURA”) to develop a new County facility.

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.

In Oregon, urban renewal redirects local property tax revenues into specific investments in prescribed areas. The purpose of these investments is to leverage additional private investments to make physical improvements to the area and eventually generate tax revenues to the local taxing jurisdictions above what would have occurred without such public investments. In Portland, the impacted tax jurisdictions include the County, the City, education and public school districts, bond obligations, Metro, and the Port of Portland.

When an urban renewal area (“URA”) is established, the tax base of each property within the URA is frozen with respect to the tax jurisdictions that receive property taxes. For the

duration of the URA, the tax jurisdictions do not receive more taxes from the URA than is generated from the frozen base. Rather, during this time period, the County continues to collect property taxes from the URA, and to the extent the taxes from the URA exceed the amount attributable to the frozen base, the County directs these incremental taxes to the PDC. PDC issues debt, known as tax increment financing (“TIF”), to raise capital to make urban renewal investments, and the TIF is repaid by this stream of incremental taxes that are directed to PDC during the life of the URA.

In 2009, the City commissioned ECONorthwest to study nearly 900 acres of downtown Portland for inclusion in a proposed new URA. In August 2010, PDC proposed establishing a new 345 acre URA covering much of downtown Portland. In 2011, Mayor Adams announced that the new proposed URA, the EDURA, would focus principally on the area around PSU.

In early 2012, the County entered into discussions with the City, PDC, and PSU to identify collaborative opportunities related to the EDURA that would advance the missions of the parties. The attached IGA reflects the proposed agreement reached by the parties during these discussions.

Subject to enactment of the EDURA by the Portland City Council, anticipated to take place in May 2012, execution of the IGA will result in the following:

- ◆ Establishment of a 144-acre EDURA, with a maximum indebtedness of \$169,000,000 and a last day to issue TIF indebtedness of June 30, 2041;
- ◆ A contribution of \$19,000,000 from PDC to the County for the development of a new County facility within the EDURA in 2023, where PSU expects to collocate synergistic PSU academic programs; and
- ◆ The formation of the PSU-County Joint Human Services and Community Health Initiative and provision by PSU of at least \$7,500,000 of research and evaluative services to the County from 2013 through 2033.

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

The provision of services by PSU to the County and the PDC contribution to the County facility pursuant to the IGA will result in a positive fiscal impact to the County beginning in FYE 2014. The IGA will have no fiscal impact prior to FYE 2014.

PSU Services

In FYE 2014, PSU will provide annual research and evaluative services valued at \$250,000 to the County through June 30, 2023. Beginning in FYE 2024, PSU will provide annual research and evaluative services valued at \$500,000 to the County through June 30, 2033. PSU will provide these services at no cost to the County.

PDC Contribution

The PDC contribution enables the construction of County-owned space to allow for relocation of a County facility that occupies leased space. The PDC contribution will reduce the County's construction costs, enabling the County to realize costs of ownership (debt service, operations and maintenance costs) over a thirty year period that are significantly lower than the amount the County would otherwise pay to lease comparable space during the same period.

Although the County will begin to receive installments of the PDC contribution beginning in FYE 2015, such amounts and any earned interest must remain segregated for use on the facility. As a result, the fiscal impact of the PDC contribution will not be realized until the County begins to expend funds on the construction of a this new facility, currently estimated to occur no earlier than FYE 2022.

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

None.

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

The City of Portland, the Portland Development Commission and Portland State University have participated in the development of the Education Urban Renewal Area and the Intergovernmental Agreement.

In addition to the City, PSU, and the County, PDC has solicited or expects to solicit input from Portland Public Schools, the Portland Business Alliance, residents, businesses, property owners and neighborhood associations that are in or next to the EDURA.

Required Signature

**Elected Official
or Dept Director:**

Chair Jeff Cogen /s/

4/17/12

Date: